#### World news

#### Mandela's Bell offers followers cash in threaten new bid boycott for BHP

South African black activists threatened an immediate and total consumer boycott and mass stayaways" if the Government took any ways" if the Government took any control against Mrs Winnie Mandels the stake in RHP Anstrajia's ways" if the Government took any action against Mrs Winnie Mandela following her weekend call to blacks to dismantle apartheid them-

The warning of popular protests was issued by the Release Mandela Campaign, which has been lobbying for the release of her busband, Mr Nelson Mandela, and other imprisoned leaders of the African National Congress

The independent South African Institute of Race Relations said 171
Nikkei average lost 62.35 to people died in political violence in March, making it the worst month since the current wave of unrest began more than two years ago. Page 22

#### Berlin resignations

West German Chancellor Helmut Kohl's Christian Democrat Party suffered new shocks as three ministers quit the West Berlin government over bribery allegations.

#### Israell crisis

The need for fresh national elections became more likely as the Likud party refused to accept Premier Shimon Peres demand that Finance Minister, Mr Yitzhak Moda'i, be dismissed. Page 4

#### Air raid wounds 8

Palestinian bases near the south. Lebanon port of Sidon were at-tacked by Israeli fighter-bombers, leaving eight people injured. Page 4

parliamentary seats at stake in Bangladesh's elections on May 7.

#### UN file request

ed Nations' files which may throw has repeatedly denied a Nazi past.

#### Doe names minister President Samuel Doe named Robert Tuhman, a respected banker and lawyer, as Liberia's new Fi-

## nance Minister in a weekend

Appeal for Sakharov Yelena Bonner, wife of Soviet dissi-repayments are likely to rise to re-dent Andrei Sakharov, has ap-cord levels this year, African Devel-Helmut Kohl to belp end her husband's exile in the closed Soviet city

#### Sanctions ineffective

US sanctions imposed against Lib-ya in January failed to make a maior impact and more than twothirds of the Americans who left the country then have since returned, according to industrial sources in

#### Welcome awaited

Ousted Philippine President Ferdinand Marcos said he would not return to his homeland unless the Philippine people or all factions in the country asked him to come

Palau killers jailed Three men were failed for between 25 and 35 years for murdering President Haruo Remeliik of Palau, a

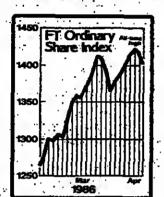
#### US-administered Pacific island.

# Business summary

lift its stake in BHP, Australia's largest company, from 19 per cent to 40 per cent. In contrast to two previous forays, the new bid is all in cash. Page 26

WALL STREET: By 2pm, the Dow Jones industrial everage was 16.52 lower at 1,722.70. Page 46.

TOKYO: Stocks torned easier on concern over crude oil prices. The



LONDON: Profit taking by small investors left prices lower while gilts ended with gains. The FT Ordinary share index gave up 20 to 1,400.9 and the FT-SE 100 share index ended down 21.2 at 1,688.50 Page 46

DOLLAR was strong in London, ris-Greek protest

Thousands of Greek trade unionists stopped work in a one day protest at the government's austerity plant closed, banks closed and city grounded, banks closed and city stransport disrupted, Page 2

Bangladesh poils

More than 2,000 candidates have (720,075). The point's exchange

More than 2,000 candidates have (Y260.75). The point's exchange rate index rose 0.3 to 76.7. Page 37 GOLD rose \$3.50 on the London bullion-market to \$338.75 and was \$5 higher in Zurich at \$339.25, Page 36

Austria is to request access to Unit- JAPAN should set itself a medium term national policy goal" to reduce light on the wartime record of for-mer UN chief Kurt Waldheim, who mony," urged a special advisory group set up by Prime Minister Yasuhiro Nakasone Page 22

FRANCE's two international airlines are quarrelling over the allocation of long-distance routes.

AFRICA made only a moderate economic recovery in 1985 and its debt repayments are likely to rise to repealed to West German Chancellor opment Bank (ADB) president Baracar NDiave said.

> THE LONDON Stock Exchange said member firms were in trouble over their technological preparat-tions for the Big Bang financial deregulation due to transform the London stock market from October 27 - and admitted that some may not be ready in time. Page 12

> RUGBY PORTLAND CEMENT reported a 21 per cent fall in taxable profits to £21.84m (\$31.8m) for 1935. Page 28; Lex. Page 22

UNION CARBIDE, the US-base chemicals group which has shed 7,700 jobs since August last year, is to cut another 1,200 and dispose of further assets worth 51hn. Page 23

GOODYEAR Tire & Rubber, said it could report a first quarter net loss of between 560m and 570m, after charges of about \$110m for the

write down of oil and gas reserves.

LAFARGE COPPEE, the French ce Charles Sobhraj, one of Asia's most wanted criminals, who escaped from a Delhi jail last month, was recaptured in Maharashtra, India, (\$103.5m). Page 23

# Belgium first to cut Oil prices rise interest rates after EMS realignment

BY GEORGE GRAHAM IN LONDON

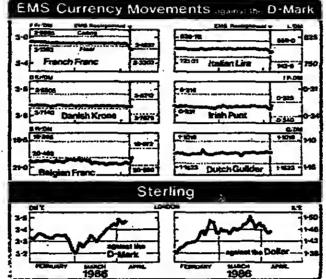
**EUROPEAN CURRENCIES settled** into their new levels yesterday in the wake of the weekend's realignment of the European Monetary System (EMS). The realignment paved the way for lower interest rates and helped European stock markets to advance strongly yester-

Belgium's National Bank moved quickly to cut its rates, and other countries whose currencies were devalued are expected to follow. But West Germany, whose currency was revalued, is likely to be more cautious over further interest rate

Most of the currencies devalued on Sunday traded yesterday in the upper half of their permitted ranges, so the immediate drop in their values is much less than the officially announced devaluation. The French franc, which was effectively devalued by 5.8 per cent against the D-Mark, stood yester-day only 3.6 per cent below last week's level. It ended the day in London at FFr 3.1835 to the D-Mark, above its ceiling, despite de-termined intervention by the French central bank.

Some foreign exchange dealers said the Bank of France had bought as much as DM 1hm, an effort to draw the franc back within its limits in the new exchange rate me-

hanism. However, the French franc's



France would act with "great caution" in lowering interest rates. This reflects government concern th

the aftermath of e realignment, hold down inflation by curbing Many speculators had to buy francs excess monetary growth. The Gov-yesterday to cover the short posi-ernment said on Sunday that monetions they took out last week in an- tary growth would be held to under

Continued on Page 22

French reaction, Page 3; Feature, Page 21; Lex, Page 22; Money

#### ticipation of a devaluation, Dealers 5 per cent this year, at London banks said they had The day-to-day French money spent much of the day unwinding market rate fell marginally yester-However, French officials said

## Renault 'will need major financial restructuring'

RENAULT, the troubled French group's sole shareholder, the said that negotiations were continustate car group which lest week re-french Government, as well as ef-ing. However, he added that it was now more difficult to find partners for 1985, will require major finan-cial restructuring to return it to economic viability, Mr Georges Besse, the company's chairman, said yesterday.

Mr Besse, speaking for the first time since the company reported its substantial 1985 loss after a record deficit of FFr 12.5bn in 1984, disclosed that total group debts had reached FFr 62bn at the end of last year, the equivalent of half of Re-nault's overall sales of FFr 122bn. The Renault chairman said that financial restructuring would re-

(AMC), the US carmaker 46 per cent owned by Renault, and the

The French Government granted last year and had agreed to advance e further FFr 3bn this year. Mr Besse said. But the Renault chairman clearly indicated that the FFr 3bn it was getting so far from the state this year would not be enough As for the search for partners, be

AMC was now in advanced negotiations with Daihatsu, the Japanese French group's loss-making farm car manufacturer, to produce joint-machinery business, among other ly a Jeep type vehicle in Venezuela. er priced vehicle than AMC's cur-Renault FFr 3.3hm in capital funds rent Jeep line and could be extended to other Latin American markets.

After another disappointing year in 1985, Mr Besse said the first two months of this year had also been Continued on Page 22 Danone result, Page 22

# as strike halts Norway output

BY DOMINIC LAWSON IN LONDON

PRICES for prompt deliveries of North Sea nil cargoes rose by al-most \$2 a barrel yesterday in \$13.90, as production ceased in strikebound Norwegian offshare Selds. The Norwegian Government has not yet moved to force tinding artigranon of the dispute. Osln, hovever, insisted vesterday that the halt in production was in no way a form of covert co-operation with the Organisation of Petroleum Exporting Countries. Opec has repeatedly called for cuts in North Sea nutput to help it to stabilise oil prices, which fell below \$10 a barrel a week

on the New York Mercantile Excrange yesterday, prices for May deliveries of West Texas crude gained about 60 cents to 513.35. 1: is expected that the dispute, over a 28 per cent wage claim by offshore catering workers, could result in a two to three-week shutdown of Norway's oil output of

9.9.000 barrels a dey.
That is a load of oil to find, one

trader said yesterday.

It seems likely, however, that the shortfall could be made up by e rise in cil production from financially pressed countries with unused capacity. These are mostly in Oper. but figures to be released tomorrow by the International Energy Agency show that Mexico saw its oil nutput drop by 400,000 b/d in the first quarter as it was squeezed out of the market by Opec countries more aggressive selling tactics.

Opec officials said yesterday that cuft. it was too early to assess the impact of the Norwegian shutdown. They added, bowever, that it was not likely to make it easier for Opec to

Statoil, the Norwegian state oil company, said yesterday that it bad not yet decided to declare force majeure on its contracted oil sales. Its presence as a buyer in the market yesterday to pick up spot crude oil was a key to the price rise. Trad-ers said that business was very thin as sellers asked for at least \$14 e barrel, which Statoil was not prepared to accept.

The Soviet Union pegan, mean while, for the first time this year to offer prices for Urals crude in line with what buyers will accept. Traders said that the Russians could well use the gap left by the Norwegians as a means of getting back into the European market. In an interview with US News

and World Report magazine, Vice President George Busb said that if the oil price stabilised at less than \$12 a barrel the US Government might have to protect the country's financial institutions. The White

# SPOT OIL PRICE

House, meanwhile, said that there were nn nifferences between President Ronald Reagan and his vice president on the oil price issue.

Although there will be an immediate boost to Britain's North Sea

revenues as the price rises probems have been created for the British Gas Corporation which takes about a third of its gas requiremen from the Frigg cluster of gas fields on the Anglo-Norwegian median

Elf, the operator of Frigg, is managing to take nut the 40 per cent of the Frigg production attributable to the UK sector of the field through platforms located on the UK side of the line. But British Gas was still taced with a stortfall of Ihn cu ft of gas yesterday, at a time of unseasonally high demand of almost 8bn

British Gas said yesterday that it had cut off about 300m cu ft of inter-ruptible contracts to industry, and ly to make it easier for Opec to had started up production from its reach a new production-sharing Morecambe Bay field off the north-agreement at its meeting starting west English coast, and from the Rough gas storage project in the North Sea.

• Mr Rolf Presthus, Norwegian Fi-

Norway planned to borrow ebroad of the first time for six years, because its current account trade balby the fall in oil prices.

"poisoned gift" by Mr Batacar N'Diaye, president of the African Devel-

Although cheaper oil will greatly reduce the oil import hills and improve the trade balances of non-oil producing African countries, it is also likely to be accompanied by a sharp decline in concessional aid from oil exporting countries, Mr. N'Diaye said in Abidjan.

Demand for Opee nil, Page 3; US nil policy, Page 6; Soviet Union's new problem, Page 22

## **Amstrad** pays only £5m for Sinclair computers

By Jason Crisp in London

SINCLAIR RESEARCH, the world pioni er of low-cost home computers, tas sold all its computer interests to Amstrad, the rival consumer electronics company which entered that market only two years ago. Sinclair, which has been in diff-

culues for more than a year has sold all the rights of its existing products including the name, for just £5m (about \$7.25m).

Sir Clive Sinclair, lounder of the company once valued at £136m. said he rejected an offer of £5m for a 30 per cent stake which would have enabled him to stay in the hame computer husiness because he was much more interested in pursuing new developments.

To exploit these Sinclair Research is forming two separate subsidiaries in ventures involving Timex and Barclays Bank. The much reduced Sinclair Research will consist of a research consultancy and a small business selling pocket televi-

Amstrad is one of Britain's fastest growing companies with prod-ucts ranging from video-recorders and cheap audio systems to home computers and very successful word-processing system costing

Earlier this year the company surprised London analysts when pre-tax profits for the six months to December 31 jumped nearly threefold to £27.5m

The sale of Sir Clive's home computer business is one of many setbacks that has dagged this some-times brilliant and often erratic entrepreneur. His first company, Sinclair Radionics, was bailed out by the state-backed National Enterprise Board in the late 1970s.

Sinclair Vehicles, which tried to Mir Rolf Presthus, Norwegian Finance Minister, said yesterday that year, a few months after the production of the p

Amstrad will now become one of the world's largest suppliers of ance had been pushed into the red home computers with at least 50 per cent of the UK market. Am-Peter Blackbarn writes from Strad will pay a further £11m to Sin-deligan: The sbarp decline in oil clair and its main sub-contractors for stocks, work in progress and

Amstrad says one of its first tasks will be to tackle the reliability problems which have been associated with Sinclair products.

Existing UK-based manufacturers of Sinclair computers - Timex, AB Electronics and Thorn EMI will be offered the opportunity to compete for further orders. Amstrad computers are made in Korea. Amstrad is expected to make several changes and enhancements

to the Sinclair range Lex, Page 22

## quire. added .support from the Philippines seeks \$580m loans

BY PHILIP STEPHENS IN WASHINGTON AND SAMUEL SENOREN IN MANILA

not release funds totalling \$580m to the Government by the end of June, Mr Jaime Ongpin, the Philippines' Finance Minister, said yesterday.

Mr Ongpin, in Washington for the twice-yearly meetings of the IMF and World Bank interim and development committees, said he would be asking the IMF to release \$230m available to the Philippines under an existing IMF programme.

He also wanted commercial banks to hand over the final \$350m of a loan negotiated by the previous Government of Mr Ferdinand

ounced that President Ronald Reagan had pledged to increase US economic support to the Govern-ment of Mrs Corazon Aquino. Mr Reagan's pledge was con-tained in a letter to Mrs Aquino delivered by Mr Caspar Weinberger, gan to regain momentum and ex-the US Defence Secretary, who are port earnings from cocount all conrived in Manila on Sunday for a

one day visit. the Philippines-was not in compli- by the Government include the ac- cessional loan of \$100m

serious foreign exchange crisis if gramme and that under those cir-the International Monetary Fund cumstances it would be unpreceand Western commercial banks do dented for the IMF to release the money. Similarly, the commercial banks faced no legal obligation.

.The Philippines, however, was in a special position and the IMF and of the danger of provoking a foreign on the US for bilateral aid. exchange crisis which would undermine Mrs Aquino's Government "If they say no, we are in trouble, I can tell you," Mr Ongpin said.

With the country's exports still economy through the rest of the year, be said. Mr Ongpin said that at present the Philippines' reserves stood at \$1.3bn after receiving a once-for-all boost following Mrs Aquino's elec-tion. Its external position would benefit from lower oil prices and a

revival of tourism, but imports were

expected to rise as the economy be-

per and sugar were depressed. Other elements in the short-term Mr. Ongoin acknowledged that financing programme being sought Aquino's Government with a con

THE PHILIPPINES may face a ance with the present IMF pro-celerated release of \$214m of US economic support funds and an additional \$100m now under consider etion by the US Congress for bud-

> getary support. He said the Government was also seeking a significant increase in finance from Japan in order to re mercial banks should be aware duce the Government's dependence

For the medium term, the Philippines wanted to negotiate a new IMF programme. It plans to con vene e meeting in mid-May of the mini consultative group of donor weak, the present level of foreign nations to begin the process of re-reserves would not sustain the scheduling the country's \$26bn for scheduling the country's \$26bn for-eign debt. Current interest payments of about \$2.5bn a year or more than 50 per cent of export

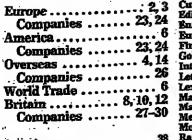
Ongpin said. Mr Weinberger, who had brief meetings with Mrs Aquino and Mr Salvador Laurel, Vice Presiden was the first member of Mr Rea gan's Cabinet to visit Manila since the fall of Mr Marcos in February. Yesterday, the Manila-based Asian Development Bank, setting aside existing rules, provided Mrs



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#### CONTENTS -



Men and Matters Agriculture 38 Raw materials 38
Appointments 30 Stock markets Bourses 43, 46
Arts - Reviews 43

Arts - Reviews 44

Arts - Reviews 45

Arts - Revie 

South Korea: economic out- The Gulf: how banks deal

look improves ........... 14 with Islam's bad debtors . 22

ters flight path .......... 18 land Cement; Amstrad ... 22

Egypt: strengthening ties US: agriculture begins the 

Management: credit rating EMS: arguments continue on Technology: Aer Lingus al- Lex: Fiat; EMS; Rugby Port-

Editorial comment: Japan's Mining: Amax's hope for the 

Mercanile House Group

#### RPM Finance, N.V.

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On the Redemption Date, the Redemption Price will become due and payable on each such

Oebenture and, upon presentation and surrender of the Debenture, and in the case of Bearer Dabentures with all coupons appertaining thereto maturing after the Redemption Date, the Redemption Price will be paid. On and after the Redemption Date, interest on the Debentures will cease to accrue.

will cease to accrue.

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> **RPM Finance N.V.** By: The Chase Manhattan Bank, N.A. as Fiscal Agent

Dated: April 8, 1986

#### **EUROPEAN NEWS**

## West Germany and Poland hope visit will ease relations

BY RUPERT CORNWELL IN BONN

WEST GERMANY and Poland are hoping for a useful improvement in the long fraught relations between the two countries, as a result of the current visit here by Mr Marian Orzechowski, the first to Bonn by a Polish Foreign Minister for six years. Mr Orzechowski, who arrived

on Sunday afternoon, held talks yesterday with both Mr Hans-Dietrich Genscher, his West German opposite number, and Chancellor Helmut Kohl. Before he returns to Warsaw tomorrow he will also meet President Richard von Weizsaecker as well as political leaders, includ-ing Mr Franz Josef Strauss of the conservative Bavarian CSU

Ties between Bonn and Ties between Bonn and Warsaw have heen prickly or worse ever since the proclamation of military law in Poland in December 1981, amounced—with devastatingly embarrassing timing—just as the then Chancellor Helmut Schmidt was completing a visit to East Germany.

The alamndown on Solidarity. The clampdown on Solidarity, the independent Polish trade union, was followed by a sus-tained propaganda campaign from Warsaw against West Germany which in turn contri-

huted to the abrupt cancellation of the return trip planned here in September 1984 by Mr Erich Honecker, the East German Shortly afterwards Mr Genscher called off at the last moment a visit of his own to Warsaw, amid a row ostensibly over his desire to lay a wreath at the grave of Father Jerzy Popielusko, the Solidarity priest murdered by Polish security officials.

But the dispute also reflected intense Polish irritation at sug-gestions by right-wing politicians hare that West Germany might one day regain territories lost to Poland after the Second

World War.

After reaching a crescendo last year, Warsaw's criticism of West German "revanchism" and "militarism" has now suband "militarism" has now subsided and the first concrete
evidence of an easier climate
came last month when Bonn
agreed to resume officiel export
credit guarantees to Poland
which hed been suspended in
the wake of military rule.
Mr Orzechowski, who will be
meeting Mr Martin Bangemann,
the Economics Minister, hopes

the Economics Minister, hopes to build on this by securing renewed West German help for the modernisation of Polish industry—and at the same time boost the standing in the West

of the Jaruzelski regime.

Bonn, too, bas much to gain from a successful stay bere hy the Pollsh Foreign Minister. Better relations with Warsaw would be a fillip for the Ostpolitik of the present centre-right coalition, and could lead to an increase in the number of ethnic Germans permitted to leave Poland for the

Not least, tacit endorsement hy Poland—for bistorical reasons ever hostile to anything hv which might he portrayed, how-ever improbably, as a step towards German reunification is a key prerequisite to a visit here by Mr Honecker, Both-Bonn and East Berlin are keen that this much delayed trip should now come about, possibly within the next three months.

### Strikes against austerity policy disrupt Greece

BY ANDRIANA IERODIACONOU IN ATHENS

OLYMPIC AIRWAYS domestic The action also disrupted puband international flights were lic services, including transport and banks, in the capital. shops in Athens remained closed as workers and small businessmen in 30 towns around Greece staged a 24-hour strike against the Socialist Govern-ment's economic austerity

The Labour Ministry said the strike action, which was backed by militant left and right wing trade unions was illegal and un According to the organisers, close to 1m workers responded

to the strike call.

## Romanians suffer in silence

BY LESLIE COLITT, RECENTLY IN ROMANIA

fore the strike wave which created the Solidarity free trade union - but

there the similarity ends.
Romanians grumble in endless
queues for meat, cheese and butter but remain acquiescent. No organised opposition exists and Eastern Europe's most efficient security apparatus sees to it that none arises. President Nicolae Ceansescu appears secure in the knowledge that after 21 years in power he has no known rival. The West continues to support him in spite of mounting criticism of Romania's human

Eastern Europe.
This vital support is largely based on Mr Ceeusescu's use of Romania's non-strategic location to challenge the authority of Soviet lead-

rights record, said to be the worst in

Romenia built a heavy industry base in defiance of Soviet plans for it to feed the industrialised rest of Eastern Europe. Then it openly criticised the Soviet Union's invasion of Czechoslovakia in 1968. This was not out of sympathy for reforming communism in Prague but because Moscow's "proletarian internation-alism" also threatened Romania's relative independence.

Romania also objected when Soviet troops moved ioto Afghanistan and sent its athletes to the Los Angeles Olympic Games in 1984 in de-fiance of Moscow's boycott of the event. Mr Ceausescu has also refused to commit Romanian troops to Warsaw Pact manoeuvres.

other East European leaders. Ro- ing on company earnings.

OUTWARDLY ROMANIA in its fifth year of worsening deprivations resembles Poland in 1979, just benote speech by Mr Mikhail Gorbanic and the speech b

photograph. Such dissenting behaviour earned the Romanian leader enthusiastic receptions at the White House and Buckingham Palace.

The skill of the peasant son from Oltenia lay in projecting a powerful foreign policy voice from a poor and not very important Balkan country.

At home bowever, the central ommand economy which allowed Romania to drag its population into the 20th century has revealed serious imbalances and gaping cracks. Sprawling new steel and petro-chemical industries are depleting hard currency reserves by devour ing imported coal and iron ore as

well as oil from the Middle East. Agriculture has been seriously neglected in the rush to produce ships, planes, machine tools and computers. Plans for highly mechanised collective farms using chemical fertilisers have been aborted and even the Communist Party is suggesting that more borse-drawn carts should be used on the farms.

. But Romanian officials insist that economic growth targets - twice as high in recent years as results must remain lofty to transform Bomania from a developing country into a "medium developed" one by the 1990s. .

Visitors are told that motivated Romanian workers are voluntarily buying "social shares" in their fac-During the recent Soviet Communist Party Congress, Mr Ceausescal underscored his unique role by leaving Moscow a week before to 8 per cent interest depend
by Marsaw 1 and M

Virtually the only audible Homanian critic of the country's leadership. Mr Mihai Botez says the counchev, the Soviet leader, without a try desperately needs debate "rather than cheering and recognition

of reality. . The 45-year-old mathematician maintains that officials who object to unrealistic planning targets are replaced by others who claim they

everyone vulnerable as they are forced to be to conceal nonfulfilment of the goals. He says that those at the top know they are being hed to but utilise the system to suppress cri-

can be attained. This in turn makes

Mr Boiez, who was relieved in 1979 as head of Romania's Institute for Future Studies, believes he has been spared imprisonment because of "influential political friends" in Washington.

Romania is increasingly being criticised in the West for allegedly persecuting fundamentalist Chris-tian denominations as well as for its record on detention of political and religious dissidents. A new unpublished decree to curb contacts by Romanians with foreigners is seen as enhancing the role of the already all-pervasive internal secur-

4

7 to 2 and

£

However, until now the West has chosen to reward Romania economically for its independent stance towards Moscow and for allowing many of its Jewish and German minorities to emigrate.

However, US policy toward Roly worrying Bucharest

## West Berlin reshuffle

BY OUR BERUN CORRESPONDENT

MR EBERHARD DIEPGEN, the and is to be replaced by the head of Christian Democrat (CDU) Mayor the education department, of West Berlin, yesterday an Hanna-Renate Laurien, Mr Lumnounced key members of his new mer admitted to paying DM 1,000 government in a reshuffle forced on (\$418) to a right-wing group in 1971 him by an urban corruption allegedly to prevent it from enterscandal.

The opposition Social Democrats (SPD) called for a vote of no confi-tres on charges of bribes paid by dence in him, claiming the reshuffle could not restore the city's reputa- obtain favours. tion. The SPD, however, does not have enough seats on the city assembly to form a government.

ty, Mr Heinrich Lummer, resigned .science and technology department.

A. A. S. S. C. S.

tres on charges of bribes paid by

builders to city officials in order to

ave enough seats on the city as-embly to form a government. to be assumed by Dr Wilhelm Mr Diepgen's controversial depu-Kewenig, the head of the city's

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Mindful that share prices can vary daily, we are publishing a bulletin showing the value of our offer for Imperial. The value we've quoted is based on our best possible offer. The next closing date of our offer is April 11 at 3 pm.

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Austria to

for files on

Waldheim

THE Austrian Government will request access to files held by

he United Nations on Dr Kurt

Waldheim, a former UN Secre-tary General and candidate in

Austria's presidential election, in a hid to clear the row over

Mr Leopold Gratz, the Foreign

at the UN on the prompting of Dr Rudolf Kirschlager, the Austrian President. The latter

has become increasingly con-cerned about the damage done

allegations shout his past.

ask UN

#### **EUROPEAN NEWS**

## Major industrial IEA sees conflict likely in Sweden

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

the brink of a serious industrial strike breaking.
conflict when the PTK white The dispute between PTK and collar union confederation re-fused a final offer drawn up by between the employers and LO.

Swedish industry to a complete halt within a few days.

Details of the final offer to PTK had still not been released by yesterday evening. Originally, the white collar workers were seeking pay increases of around seeking pay increases of around length of the standard working week and the retention of a mini-7 per cent, although SAF has estimated, that the demand would mean a rise in total labour costs of more than 10

per cent.
The atmosphere between the employers and the white collar workers has been further hours, the standard for strained in recent days by calls white-collar employees. The from some companies to non-employers want to link a confrom some companies to non-union employees to continue to work normally despite the a "reform" of the wage guaran-strike, a demand that has been tee system.

A CONTRACTOR

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SWEDEN MOVED yesterday to interpreted by PTK as a call for

the state appointed mediators.

PTK has threatened to call out confederation. The two sides 18,000 key personnel from 2 pm today, followed by another 50,000 tomorrow.

SAF SAF, the employers' federation, has responded with a threat to lock out more than 300,000 white collar works.

threat to lock out more than 300,000 white collar workers from tomorrow which could plunge Sweden into one of its biggest private sector industrial conflicts.

Last ditch negotiations were continuing through the night to avoid the strike and lock out which would bring most of Swedish industry to a complete halt within a few days. building trades, the textile, heavy engineering and electro-meallurgical industries, writes

week, and the retention of a system which guarantees minimum wages to workers in low-pay industries. The unions want to keep the latter, while cutting the working week for blue-collar workers from 40 to 371 cession on the working w

### World Bank backing for Turkish economic policies

BY DAVID LENNON

TURKEY WON a vote of of 14 per cent a year over the approval for its economic three or six month London policies yesterday when the Interbank Offered Rate (Libor) World Bank signed its first-ever co-financing foam agreement over Libor for the remaining

middle East and Europe, said this participation in commer, it is participation in commer. It is participated to a certificate of good health for a country which five years ago ran out of credit. This remark brought a smile to the lips of Dr. Ekrem Pakdemirii, the Universecretary of the Treasury, who signed the agree-ment bere yesterday on behalf

of Turkey.
The World Bank will take a direct participation of \$33m in a \$233m Eurodollar loan and \$19m in a Yen 23.4bu (\$130m). loan. The co-ordinating bank for the Eurodollar loan is the Arab Banking Corporation. The Nordic Investment Bank will also participate with \$5m. Eurodollar loan will

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Mentor SSP File fact pack.

and ask for your

have five years' grace and a 10-year final maturity. The commercial portion will be for

with the Ankara government.

The Bank will participate in two syndicated commercial loans totalling \$363m to support the 420kW Kayraktepe hydropower station on the Goksu River. It provided a 200m loan for the \$176m project earlier in the \$176m project earlier in the year.

Mr Will Wapenhans, World Bank vice president for the gentlement of the Mitsubishi Bank, Mitsui Bank, Middle East and Europe, said Bank of Tokyo and the Industrial Bank of Japan.

. Mr Wapenhans, said that the world Bank move is part of its support for Turkey's structural adjustment programme and described it as "an important milestone" in the attempt to re-establish Turkey's credit-worthi-

The two co-financed loans are expected to help improve Tur-key's access to the world's capital markets. They represent a lengthening of the overall maturity and grace periods compared with other recent Turkish borrowings, according to Bank

They added that the loans realise the objectives of the Bank's co-financing programme and also promote interest in cofinancing in the international hanking community.

## 14.9m b/d demand for Opec oil

By Richard Johns

DEMAND FOR crude from member states of the Organisation of Petroleum Exporting Countries in the second quarter of 1986 is likely to be

quarter of 1986 is likely to be less than 15m barrels a day, according to the latest projections published by the International Energy Agency.

Assuming that there is no further draw-down of stocks over the April-June period, the prospective level of non-Opec output indicates that the remainement will only be requirement will only be about 14.9m b/d, according to the IEA's latest mouthly

market report. market report.

The projection will come as no surprise to Opec. Its experts calculated a non-Communist world requirement from Opec and stocks of 14.95m b/d for the April-June period when they met before the ministerial conference in Geneva which adjourned inconclusively last month.

When it resumes next week When it resumes next week in Geneva, the IEA statistics will only help to re-emphasize Oper's predicament and the need for a substantial cut globally—whether by Opec alone or all producers—if prices are to be boosted.

Stock levels continue to be the unknown quantity as far as any attempt at fine-tuning is concerned. The IEA calculates, on the basis of prelimin-ary data from its 21 members, a net draw-down of 1m b/d in the first quarter. A reduction of 1.4m b/d in

commercial inventories was reckoned to have been only partially off-set by a 400,000 b/d build-up in stocks held by governments. In terms of forward consumption, the former, at the beginning of April, were at an almost identical level as those on the same date of 1976, 1977 and 1978.

The IEA puts Opec crude output during the January-March period at 17.3m b/d compared with 17.6m b/d in the same period of 1985 and 15.9m b/d for last year as a whole. The rates compare with the 16m b/d ceiling still notionally in force.

The DEA's latest projection indicates a demand for Opec crude in 1986 of 16.5m b/d, assuming no change in stocks over the course of the year. That is regarded by all Opec members as too-small-a maximum margin for an accord on a redistribution of quotas.

The agency has revised upwards its estimate of total supplies to the non-Communist world during the first supplies by 700 000 bid to 46.1m b/d as a result of higher output by several members of Opec—in particular, Knwait, the United Arab Emirates and Nigeria.

Oil consumption by member states of the Organisation for Economic Development per states of the Organisation for Economic Development and Co-operation—the industrialised world — in the January-March period is calculated by the IEA at one half percentage point above the level during the same period of last year.

For the whole of 1986 it is likely to be up by I per cent THE EMS REALIGNMENT

## French industry hails devaluation

Mr You Gattar, head of the would be to give a slight boost French employers' association, to economic activity beyond the said the measures give industry 2.5 per cent expansion in real "a second wind." Since 1983, GDP currently forceast by the French companies had lost in- Treasury for this year.

West Germany, however, car manufacturers Peugeot and Renault expressed some dis-

offset by the FFr 15bn cuts in public expenditure and the curbs on public sector pay. To minimise the inflationary consetion had not been larger. The quences of the devaluation, the franc fell in Paris yesterday by 3.5 per cent against the D-Mark

gains from declining oil prices to a reduction in corporate

ternational market share beternational market share because of a lack of competitiveness.

Among the main exporters to

The devaluation should inMinister, of holding inflation

Minister, of holding inflation

Minister, of holding inflation

also having an impact on sales

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the request was being conveyed

through Austria's ambassador

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through Austria's ambassador yesterday. Oo this oasis, infla-tion in France would have faller by the end of the year to 1 to 1.5 per cent if Socialist

FRENCH INDUSTRY gave a generally warm welcome yester-day to the weekend devaluation of the French franc and more particularly to the Government's phased lifting of price and foreign exchange controls.

Mr Vwon Cautar hand of the angular process of the combined of the compared with ing of the demestic tax on ing on details of the planned public expenditure cuts which shows the pain of the planned public expenditure cuts which been favoured by Mr Jacques pain." The Government wants to eliminate the hudget deficit in three years—excluding in package announced afterwards Channel some of the windfall reverse delight boost earlier than the course of the planned public expenditure cuts which they said would cause "much been favoured by Mr Jacques to eliminate the hudget deficit in three years—excluding in the course of the windfall reverse of the course of the course of the course of the windfall reverse of the course of the currently amounts to about FFr 100hn a year.

The target announced by Mr Edouaro Balladur, the Finance Minister, of holding inflation margins in West Germany while

But he added that a devaluation would not be of much benefit unless it was accompanied by lower interest rates. Officials yesterday were work- short borrowings.

quated idea about mercanti-lism; namely that capital inflows enrich and capital out-flows impoverish Italy.

mantling of controls" and said that in 1984 Italian direct

investments overseas totalled

to Austria's reputation by the Dr Waldheim found himself at the centre of an international row following allegations that he had heen a member of Nazi organisations during the war and that he had been involved in Nazi atrocities in the

Balkans. He has repeatedly denied the allegations, describing them as "absurd" and as a "smear campaign" designed to undermine his hid for the presidency. The Government of Israel has already requested the files. Dr Waldheim said he had no he had " nothing to hide." more reserved, saying that the portfolio investment sector "is not yet mature for a complete liheralisation." Mr Capria defended the "gradual dis-Gratz said yesterday that Dr Waldheim had also agreed to

the Austrian Government's request. The allegations first published in an Austrian weekly magazine and later taken up by the foreign press and the US-based World Jewish Congress have

## Italian business fears for competitiveness

ITALYS DECISION not to follow France in lowering the central parity of the lira in the EMS has won respect from Italian economists but aroused misgivings among businessmen.
The Milan stock exchange reacted cantiously with prices
declining by about 1 per cent.

Economists and businessmen are waiting to see whether the government moves swiftly to remove the additional controls on foreign exchange trans-actions and bank borrowing introduced last January to support the currency.

The lira has now won scope for devaluation against the D-mark and Dutch guilder (by 3 per cent) and the Danish krona and the Belgian franc (by 1 per cent). On the other hand, it has obtained room for a 3 per cent revaluation against the French franc.

By not devaluing along with the French franc, Mr Giovanni Goria, the Treasury Minister, has banked on the favourable prospects for the Italian balance

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CHESHIRE (CLWYD)

of payments this year, follow- on evaport finance imposed as complained, adding that the the fall in the oil price, and a matter of urgency in January Italian attitude towards capital has given precedence to the when the lira came under movements was based on anti-need to keep the Italian infla-pressure.

The procedence is a matter of urgency in January Italian attitude towards capital need to keep the Italian infla-pressure.

The procedence is a complained, adding that the transfer of the procedence is a complained, adding that the transfer of the procedence is a complained, adding that the transfer of the procedence is a complained, adding that the the fall in the oil price, and a matter of urgency in January Italian attitude towards capital needs to keep the Italian infla-pressure.

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The procedence is a complained, adding that the the fall in the pressure is a complained, adding that the the fall in the pressure is a complained, adding that the the fall in the pressure is a complained, adding that the the fall in the pressure is a complained, adding that the the fall in the pressure is a complained to the

mandelli, vice-chairman of capital "have no foundation in Confindustria, the industrialists" association, said: "If we had more courage and had followed the time is particularly famous france in devaluing of the time is particularly famous france." France in devaluing our cur-

In recent weeks Italian businessmen have stepped up

While Mr Goria won appreciation among Italian economists for holding to a middle line, husinessmen fear a loss of competitiveness against the French franc. Mr Walter strict rules on the exports of Mandelli, vice-chairman of capital "have no foundation in Confindustria, the industrialists".

Alan Friedman adds from lism: namely that capital inflows enrich and capital outdown inflows impoverish Italy.

In contrast with Mr Asnelli's comments, Mr Nicola Capria, foreign Trade Minister, was more reserved, saying that the portfolio investment sector "is confindustria, the industrialists"

able for a decisive move towards liberalising exchange controls." rency, it would perhaps be liberalising exchange controls." that i easier to take important He cited the reduction of petromeasures on foreign exchange leum prices, the healthy state \$12bn. control liberalisation." of industry and the increasing Mr of industry and the increasing interest of small investors in the stockmarket as factors

Mr Renato Altissimo, the Industry Minister, appeared to agree with Mr Agnelli when he decried the "ohsolete logic tied "foreign interference" in the country's interference in the country's interference in the

their calls on the authorities to reduce controls on the exports of capital and on other foreign of capital and on other foreign exchange transactions. Some of them yesterday voiced the view that if the Italian currency is as sound as Mr Goria believes, be should show it hy ending the extra controls of the deposit on the support of the conservative system," he agree with Mr Agnelli when he decried the "obsolete logic tied to the years of crisis" which country's internal affairs.

The Waldheim, who is running for the prevented freer capital exports. The Waldheim, who is running for the presidency with the support of the Conservative system, and the country's agree with Mr Agnelli when he decried the "obsolete logic tied to the years of crisis" which country's internal affairs.

The Waldheim, who is running for the presidency with the support of the Conservative strong, Italian unit trusts cannot invest more than 10 per cent of their portfolios abroad."

The successions of the decried the "obsolete logic tied to the years of crisis" which prevented freer capital exports.

The Waldheim, who is running for the presidency with the support of the Conservative strong, Italian unit trusts cannot invest more than 10 per cent of their portfolios abroad."

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# Peres cabinet crisis may force general election

of fresh national elections minister, political commentators to go. yesterday, as the Likud— agree that the most likely outlabour's partner in the coalicome is new elections.

Yesterday afternoon Mr his n tion National Unity Government -refused to accept Prime Minister Shimoo Peres' demand that Mr Yitzhak Moda'i, the Finance Minister, he dismissed.

Sparring hetween the Finance Minister, the architect of the government's cconomic austerity programme, and the Labour alignment, bas been growing for weeks. But matters came to a head to recent days with an uousually stroog attack on the Labour Prime Minister by Mr

With a hand-over of the Prime Ministership to Mr Yitz-hak Shamir, the Likud leader, due io six months' time. Labour activists have been pressing Mr Peres to seek a pretext to break the rotation agreement and either set up a oarrow-based government based on the support of the smaller parties or else call fresh general elections.

First indications yesterday however were that the small retigious parties — the swing factor io any coalitico government io Israel - are not prepared to back a new Lahour-led government excluding the

Thus, if deadlock remains hetweeo the Prime Mioister's insistence that this time Mr Moda'l has gone too far, aod must be dismissed, aod Mr Shamir's refusal to accept the

ISRAEL teetered on the verge dismiss a Likud-nominated his demand that Mr Moda'i has

in Likud. Labour and Likud the party caucuses meanwhile ture. weighed up their options as they eyed opinion polls show-ernm ing an enormous popularity rat-ing for Mr Perea.

Taking an unexpectedly strong stand, Mr Shamir, who is hoth Deputy Prime Minister and Foreign Minister in the

In cootrast, the Prime Minis ter — concerned to maintaio his newly acquired image as Peres was io consultation with the religious parties to sound out their willingness to break ranks with their natural allies could be maiotained following the Finance Minister's depar

> The quarrel within the Gov-ernment over rival claims to the success of Israel's drive to curh inflation and rampant government apending, is the most serious in its 18-month life to date.

Yesterday Mr Ezer Weizman Peres Government, was reported as saying that the etder statesman, said the coaligovernment will have to be dissolved if Mr Peres persists with have reached a natural end.





## Israelis attack bases near Sidon

BY NORA BOUSTANY IN SIDON

ISRAELI fighter-bombers raided tioo (PLO) to escalate guerrilla not from hetween our houses. five Palestioiao guerrilla taraetlvity from South Lebanon. His statement, however, un of the scuthern Lehanese port of Sidon yesterday, scoring direct hits, wounding eight people and triggering the anger of local resideots at the pre-sence of military bases in their

' guerrilla inspecting a flattened command successful attacks inside

We are in a constant state of war," he said defiantly and that Israeli ralds such as this, confirmed an announcement Mr the third this year, would not new policy of having fighters Yasir Arafat, chairman of the deter him. "We will go on disperse in the fields at day-palestine Liberation Organisa-struggling," he shouted. "But hreak, one fighter explained...

The commander refused to comment on whether the latest guerrilla attack on March 31 elaimed there were no civilians was lauoched from bases in living there when he came

ldon. Palestinian fighters raced As he spoke, fighters hauled around the hills between the out military gear, flak jackets refugee camps of Mieh Mieh commander and khaki shoulder hags from and Ain Al Helweh in jeeps ened command the dust-covered dehrls of a mounted with anti-aircraft guns. "They have ruined our homes." Another Palestinlan fighter.

leashed a heated argument with the Palestinian commander who

post on the edge of the Mieh demolished cement structure. Only two fighters were injured Mieh shaoty town overlooking Mr Mahmoud Hannawi, 35, a in the 45-minute midday air Sidon said the Israeli strike resident of Mieb Mieh looked strike. The rest were civilians, was expected as a retaliation around and muttered to himself:

The reason there were so few casualties even though four Fatah bases and one Popular Front for the Liberation of

#### **Takeshita** moves to bolster bid for top job

By Jurek Martin in Tokyo

MR NOBORU TAKESHITA. the Japanese Finance Mini-ster, has taken steps 10 counter the growing bellef that he is alipping in the coo-test to succeed Mr Yasuhiro Nakasone as Prime Minister later this year.

In political speeches here over the weekend before leaving for Washington to attend the International Monetary Fund (IMF) meeting, Mr Takeshita offered to dissolve the political support group he set up 15 months ago to promote his candidacy.

This groop, known as Soseikal, has become a faction within the larger faction mominally beholden to Mr Kakuel Tanaka, the former Prime Minister, who has been disabled by a stroke disabled by a strok since February last year.

About two-thirds of the 122

members of the Diet who comprise the Tanaka faction are sympathetie to Mr Takeshita, his inability to convert the rest is, according to the logic of Liberal Democratic Party politics, a sign of weakness and thus a drag on his ambitions.

A dissolution of Soseikai would be seen as an appeal for the whole faction to unite behind his candidacy. Mr Takeshita even said that he was will to allow his arch iotra-factional rival, Mr Susumn Nikaldo, assume temporary leadership of the

Tanaka forces,
In recent weeks, Mr
Shintaro Abe, the Foreign
Minister, appears to havepulled ahead of Mr.
Takeshita, principally because
of the latter's factional

problems. The third of the "new leaders," Mr Kiichi Miyatawa, has been aggressively advocating his programme for greater economic stimulus, hut is hamstrung by the fact that the LDP makes its assessments more on the basis of personality than policies. It remains unclear whether Mr Nakasone will get his way d succeed in engineering a fully fledged general election

At present only the Upper House vote is on the calendar, but over the week-end all the contenders were warning their supporters to has several motives for wanting and Washington coole he ready for a June election. In improvement in ties with tariffer and the several motives for wanting and Washington coole



his First Lady from the London weather on their arrival yesterday at the start of a four-nation European tour.

## Chun in UK to start first European tour

BY STEVEN B. BUTLER, SEOUL CORRESPONDENT

a European tour aimed at opponents are reported to have strengthening commercial and other ties with the European Community. Mr Chuin's tour to London, Boun, Paris, and Brussels marks the first-ever official visit of a South Korean head of state to Europe.

Economic ties between South a military dictator as he cannot be a south as a military dictator as he cannot a military dictator as he cannot be a south as a military dictator as he cannot a military dictator as he cannot be a south as a military dictator as he cannot be a south as a military dictator as he cannot be a south as a south

state to Europe. Economic ties between South Korea and the EEC have grown a "military dictator" as he came fast over she past decade. Last to power in 1980 in a military the Community reached \$5.9bh

(£4.1bn). Mrs Thatcher, the British Prime Minister, will visit South informal assurances Korea in early May, prior to the economic summit in Tokyo, mot act to undermin Mr Chun has hrought with him of Mr Chun's tour. over 30 senior Korean business executives as well as Mr Kim Mahn-je, the deputy Prime Minister for Economic Planning. Meetings are planned today with British husiness leaders, with a focus on promoting technological co-operation.

a time when the challenge to

MR CHUN DOO-HWAN, the Mr Chan's suffority at home South Korean President, yester-has reached a new peak day arrived in London to start Thousand's of government opponents are reported to have

> coup.
>
> The European visit, however, is not an issue in Korez. European embassies obtained informal assurances from opposition leaders that they would

of Mr Chin's tout.

Mr Chin will also seek to strengt, an European understanding of and support for South Korea's difficult security problems, as well as to obtain a resimmation of European support for the 1995 Secul Office. pie games.

Page 14

# Egypt quietly strengthens ties with Moscow

EGYPT and the Soviet Union Moscow. These include: Union are cautiously extending • Economic benefits that might Union are cautiously extending the range and scope of their in a move seen here as part of is in an attempt by Cairo to balance its relations with the US.

Egyptian officials say, how stand

ever, that the recent flurry of exchanges between Cairo and Moscow should not be regarded as a sign that Egypt wants to loosen its close ties to the West, which provides the bulk of its foreign aid and technical

hreak of three years. But in Egypt's arch enemies in the early 1986 there has been a Arab world. rash of senior Soviet visitors to Cairo.

The latest is Mr Vladimir Polyakov, director of the Middle East Department at the Soviet Foreign Ministry, who held dis-cussions over the weekend with Egyptian officials, including Dr Osama al Baz, head of President Hosni Mubarak's political

Western o ververs say Cairo

the range and scope of their accrue from closer commercial economic and political contacts relations at a time when Egyptis in serious financial difficul-

> stance to Egypt's traditional claim that together with India non-aligned movement. • A helief that if there is to be any progress towards Middle East peace the Soviet Union

must be involved.

Increased contacts between Cairo and Moscow followed the forcing down last October by US jets of an EgyptAir Boeing carrying the Palestinian hi-jackers of an Italian cruise

Egyptian campuses. President: Mubarak openly criticised the US and relations between Cairo and Washington cooled momen-

Egypt is dependent on US market rate of the Egyptian assistance of about \$2.3bn a pound which is almost one-year and therefore is likely to be wary of giving offence to determine the value of trade washington where some Congressmen are blaming Cairo through a special British stergressmen are blaming Cairo through a st over the continuing coolness in ling account. Egyptian-Israeli relations. The two

relations is nurmal and should rate in future transactions. However, an Egyptian trade official said this week that projects. They say they are ungress towards such an arrange ment would be gradual.

wan was there last week. Dr when repayments were suspended there has been some give year trade some discussion about Found to be signed this year.

The two sides agreed in or omerals here say the imprinciple last year that it was provement in Egyptian-Soviet desirable to apply a free market relations is nurmal and should rate in future.

Egypt and the Soviet Union A wish to improve the treated each other warily after, dlalogue with Moscow as a upgradiog relations to ambassa- counterweight to close Soviet dorial level in 1984 following a links with Syria and Libys, break of three years. But in Egypt's arch enemies in the syria arch to the soviet week. Dr when repayments were suspended. These has been a Arch world. discussion about Egypt resum-ing payments, but little progress has been made.

forcing down last October by US jets of an Egyptian Boeing carrying the Palestinian hisackers of an Italian cruise liner, the Achille Lauro.

That episode provoked antimoremains the artificially low rate increase this year. A problem remains the artificially low rate of exchange against the British Royal advisors. In 1972 he expelled more than Double at which Egypt exiculates the Soviet Union.

Woscow would like trains and Cooperation and Past he expelled the Soviet Union.

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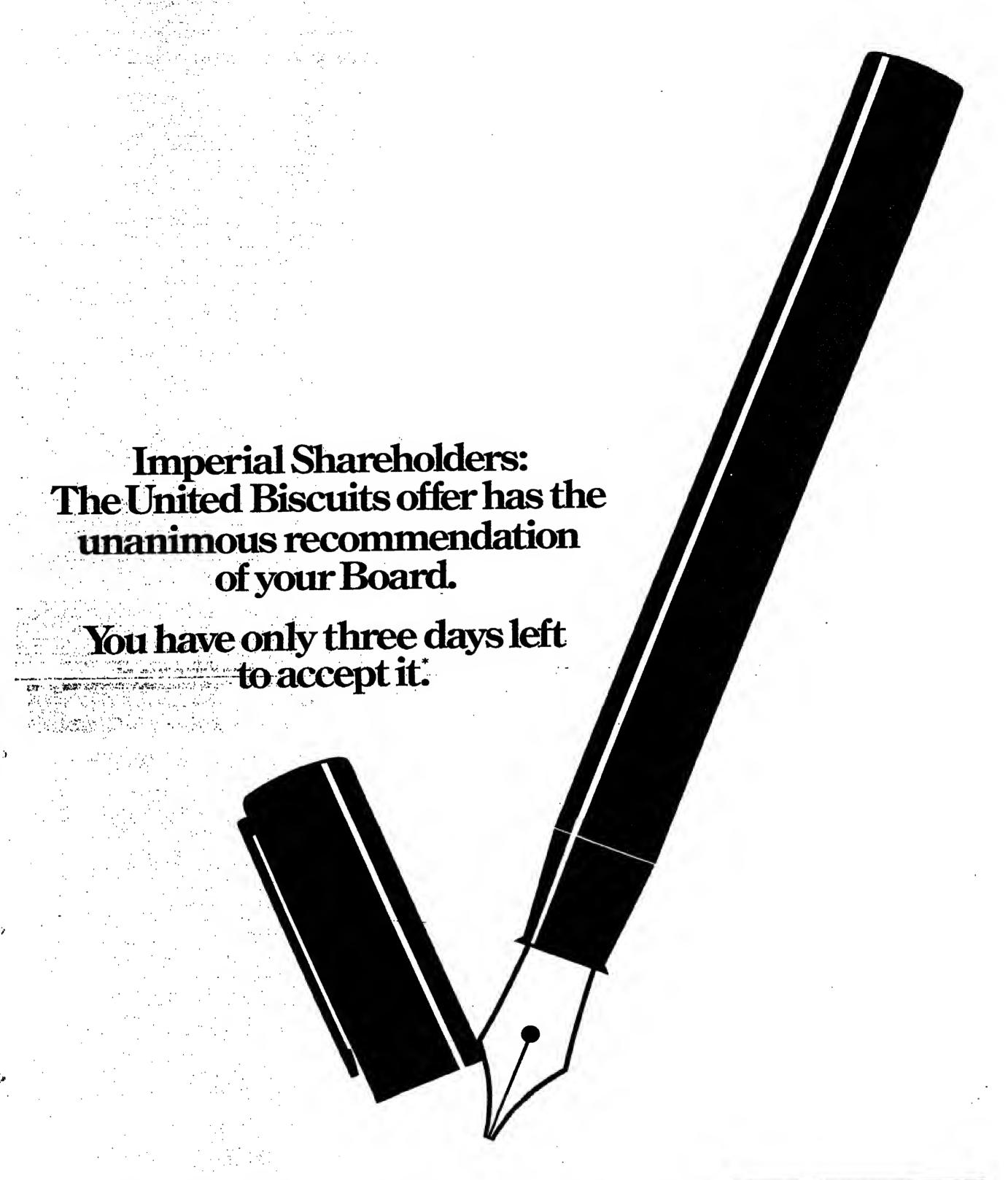
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Intelligence Agency (CIA), has two countries and substantial

Mr Casey told the annual conference of the American Israel Public Affairs Committee. the higgest pro-Israel lohhy in the US, that the Soviet drive had gained momentum since Mr Mikhail Gorbachev hecame leader just over a year ago. Mr Gorbachev was intensifying efforts "to nail down these hridgeheads and make them

permanent." he said.
In the Middle East, Mr Casey said that, with Soviet hacking. leftiat Arah governments and radical guerrilla groups were "determined to polarise the Arab world so no accommodation can ever be reached." He warned that Moscow might back a more aggressive Syrian mili-tary posture against Israel, give full hacking to the left-wing and militant factions of the Palestine Liberation Organisation (PLO) and increase its support for Libya, in a bid to

MR WILLIAM CASEY, President Ronald Reagan's controlingh, with more than 6,000 East versial director of the Central Bloc military advisers in the Intelligence Agency (CIA), has issued a sharp warning that the Soviet Union is stepping up its attempts to secure "hridge-heads" around the world to tilt the strategic balance against the West.

In a rare public appearance at the weekend, Mr Casey Said that Americans had "failed to see the inter-relationships" between Soviet activities in dif-

To the Middle East, Mr Casey said that the US had atrengthened its ties with Mossad, the Israeli intelligence tween Soviet activities in dif-ferent parts of the world, including the Middle East. Nicaragua and Angola. tries, so aa to fight terrorism on a more co-ordinated basis. He spoke of the development in recent years of "a worldwide exchanged among the security services of moderate Arab. Europeans and all of our friends everywhere."

"We do a lot of training, providing technical aervices to improve the capabilities of those services, and collaborate with them in counter-terrorism already the longest cyclical upactions," he said.

In Central America, the Nicaragua Government had started an all-out campaign to rebels in the past two months, he said. In Angola, Cuban troops and Soviet advisers were "feverishly preparing a camthis month, designed to wipe sabotage the peace process. out forces resisting the Marxist
The Soviet presence in Syria
Government."

#### **Latin American ministers** extend peace talks

ministers yesterday extended peace talks on Central America,

City.
The talks among the Contadora group of countries— Mexico, Colombia, Panama and Venezuela—with their Latin American "support group"— Peru. Brazil. Uruguay and Argentina-and the five Central American countries had been expected to end on Sunday.

Mr Jorge Abadia Arias, Panama's Foreign Minister, would not say what had delayed the conclusion of the talks but be said he was hopeful about the chances of reaching some form of agreement.

Mr Rodolfo Castillo Claramount. El Salvador's Foreign Minister, blamed Nicaragua for bolding up agreement on a communique and a timetable for signing an ambitious peace pact drafted by the Contadora group. Organisation for Economic Codrafted by the Contadora group. Organisation for Economic Cobetter with growth rates of drafted by the Contadora group. Operation and Development 4.9 and 4.1 per cent anticipated munique and a timetable for

world's oil traders as they

out without a parachute." Mr Bush, whose comments mirrored

peddling the official US be telling the Saudi Arabians Administration line on oil that steep declines in the oil prices? This is the question price were harming "our own uppermost in the minds of the domestic interest and thus the price were harming "our own domestic interest and thus the interest of our national

world's oil trauer.

monitor the confusing signals coming out of Washington and the Middle East.

Last week, the oil prices turned around after Mr Busb said he wanted to see some course and while the US officials course and while the US officials said that his remarks bad been out of context was quick yestern specularity by Mr Bush's remarks contrast producing states who will be itb the Administration's strong important to him if he runs for tion. "We believe that the way to achieve market stability is to let the free market work."

Industrialised world

The initial view of many Washington observers was that Mr Bush had gone out on a limb perhaps hecause he was anxious not to alienate his supporters in the south western energy

The White House went out of its way again yesterday to play down speculation that there was a rift hetween the Vice-President and the Administration on oil

the presidency the next time

menting on the Vice-President's declines. Middle East trip yesterday, said "there is not even a gray area between the President's position tion" on declining oil prices.

oil industry analysts say that it financial institutions in this is clear that the conflicting commants reflect an unresolved policy issue within the Administration. Lower oil prices are a double-edged sword and while the overall effect is good for America there is a level at which even the Administration

IS VICE PRESIDENT George Herrington, the US Energy said Mr Larry Speakes, the White House spokesman com- wants to call a halt to further non-intervention by Govern-Bush, a former Texas oil man, Secretary, said that he would White House spokesman menting on the Vice-President's declines.

In an interview in the latest issue of US News and World between the President's position and the Vice-President's position" on declining oil prices.

In spite of these denials many 12 (£8.3) a harrel, substantial country would be hurt. I do not think the price will stabilise that low but if it did, the US Government would become involved whether it wanted to or not because of its role in protecting financial institutions.

forced to wrestle with the

national accurity effects plus regional economic recession." Mr Bush denied that the market for oil was free. have a cartel," he said "It is important to our national security to have a viable, strong domestic oil industry. The danger is that industry. The danger is that output will get down to a level where production dries up and cannot be brought on stream again. Then you have hurt the energy hase of the US."

Philip Stephens reports on this week's meetings at the International Monetary Fund

prices. Mr Edward Dierejan, a

## Developed world may rest on its laurels

anti-terrorist network which is among governments of the main hased on the active intelligence industrial countries as this week's series of meetings at the International Monetary Fund (IMF) get underway.

The collapsing oil price and the sharp change in the pattern exchange rates have reinforced confidence that the current economic recovery. turn for more than 30 years, will continue into 1987.

The U-turn in US policy signalled by last September's agreement among the Group of Five (the US, Japan, West Germany, France and Britain) to force down the value of the dollar against major currencies also appears to have opened new possibilities for interna-tional policy co-ordination. Mr James Baker, the US Treasury Secretary, is widely rumoured to be preparing a

fresh initiative ahead of next month's World Economic Summit in Tokyo to build on the success of joint exchange and interest rate actions. He has acknowledged, though, that his counterparts in the G-5 group, like him members nf conservative administrations, may prefer to leave well enough alone, "It may be that circum-

that argument," he commented

stances are so optimistic that maybe the hest thing to do would be to do absolutely

nothing . . . . Some could make

and oil orice averaging \$15 per barrel. predict that economic growth in the industrialised world will average 3 per cent or slightly more both this year and next.

FORECASTS FOR ECONOMIC GROWTH
(GNP annual percentage change)
IMF OECD

Inflation, already falling in most rich nations, has been given another downward twist by the dramatic fall in oli prices. The OECD, which has compiled its forecast on the technical assumption of an average oil price of \$15 per harrel, is predicting a collective inflation rate among Its 24 members of less than 3 per cent

In Japan the inflation rate is forecast next year at a harely-measureable 0.25 per cent. while in West Germany prices could actually fail fractionally, according to the OECD.

The satisfaction within G-5

with such forecasts is not shared by many developing countries.
The oll producers among them,
including Mexico, Venezuela
and Nigeria have suffered a
severe blow from the price
collapse. Their economies, the IMF predicts, will at best stag-nate this year and grow hy less than 1 per cent in 1987.

for 1986 and 1987 respectively. They remain far from con-vinced that the Baker initiative inveiled at last autumn's IMF meeling in Seoul will bring a debt-servicing capacity.

The US remains opposed to the capital increase being sought by the World Bank to boost the flow of resources to the LDCs, while commercial banks have yet to demonstrate that they are willing to commit sizeable amounts of new money to the heavily-indehted nations,

Signs of a hroader consensus among the industrialised nations on economic strategy also mask some important differences and

At this week's meeting of the IMF's policy-making interim committee, governments are expected to agree to widen the scope of international co-ordination to include a more general commitment to pursue policies compatible with sustained growth in the world economy, There also has been agree-ment among officials preparing the talks to give the IMF an enhanced, if still somewhat vague, role in studying and commenting on the interaction

It is this that Mr Baker may be seeking to package as a new initiative in time for the Tokyo summit, according to senior

Beneath the surface though, there are differences. West Germany remains opposed to the idea of an international monetary conference, and Mr Baker could be forced to shelve the

there is concern that the patindustrialised world will not do enough to reverse the present buge current account imbalances.

The sharp rise in the value of yen since last September has resulted in a significant slowing of the Jepanese economy, with the IMF predicting growth of only 3 per cent this year, well helow its productive capacity.

the Group of Five also suggest that co-operation on exchange rates has become more difficult as the dollar has declined. Japan has made it clear that for the moment at least it does not want to see the US currency fall much further against the

of the policies being pursued by the governments in the largest economies.

It is this that Mr Baker may

of the policies being pursued by yen. Recent signals from the US Administration have been interpreted as suggesting that Washington might also accept a

Mr Baker, however, remains under pressure from Congress to produce evidence that the dollar's fall is beginning to reverse the huge US trade deficit, and there are suspicions among many officials that he will soon begin to press for a further decline in the US currency's value.

The Fund's economists do not Perhaps more fundamentally quite share Britain's optimism on the outlook for its economy. Growth in the UK could be below 21 per cent both this year and next, they predict.

Among European govern-ments there are floubts over whether the Gramm-Rudman budget balancing legislation will result in major cuts in the US budget deficit, which, in turn, puts a question mark over the extent of possible further reductions in interest rates.

At the same time the prospects for West Germany may not be as optimistic as current trends suggest. The IMF predicts that, on present policies, growth there will slow from the 3.7 per cent expected for 1986 to less than 21 per cent hy the fourth quarter of next year.

The recent contacts between the IMF projections prove correct the buflook for external larly uncertain. On the assumption of unchanged exchange rates, it predicts that the US rates, it predicts th back to \$62bo in 1987, still well

above last year's figure,
Those forecasts do not suggest an easy ride for international economic co-operation, particularly if governments do decide this week that the best thing to dn is nothing

#### **Argentine** austerity plan altered

By Our Buenos Aires

ARGENTINA has announced the first changes to its nine-month-old austerity package, the Austral Plan. The modest alterations in-

chide: a 3.75 per cent devalua-tion of the currency, the austral: the substitution of austrai; the sansulution of price controls with admini-stered prices taking account of input costs; minimum and maximum salary increases of 18 and 25 per cent in the private sector, and 18 and 21 per cent for state company employees; and a 5 per cent pay rise for public administra-tion employees whose pur-chasing power will be defended by additional incre-ments in the 1986 budget. In addition, rates for oil, gas and electricity have been

Financial markets had already adjusted to the changes. The parallel doll a questation rose and then fell last week, while interest rates continued their downward

devaluation, brings the official exchange rate to Austral 83 to the sufficient by exporters, par-ticularly in the hard pressed agricultural sector. Farmers have scheduled a one day protest for April 21 demanding measures, primarily further reductions in export faxes, to compensate for falling inter-national prices and higher production costs.

## WORLD TRADE NEWS

CONTRACT BATTLE ENDS IN LAST-MINUTE PRICE CUTS

## French win India pipeline order

BY JOHN ELLIOTT IN NEW DELHI

FRENCH JAPANESE consortium was yesterday awarded a \$600m (£428m) contract by the Indian Government to huild a 1.700km cross-country natural gas pipeline. The contract comes after a closely-fought commercial and political hattle lasting more than two years which ended with last-minute price cutting on Sunday night.

The consortium is led by Spie-Capag of France, part of Groupe Spie Battgnolles, and includes NKK and Toyo of Japan, with \$386m in soft loans and credits from the two countries

The UK government is pro-viding \$10m in grants and \$40m in credits to back a subcontract for Ingersoll Rand which will supply turbines to pump the gas, using technology derived from aero-engines.

#### Strong base

The award is the latest of a series of significant contracts won in India hy France and Japan and is a major hlow for Snamprogetti of Italy which has a strong hase in India and always assumed it would win the contract. France has in recent months

sold Airbus aircraft, 27 Aerospatiale helicopters and a Cit-Alcatel telephone exchange factory. Japan last year won a 594m contract to supply some of the pipes for the pipeline and a \$100m contract to huid the Nava Sheva port at Bombay, a wall as continuing to make as well as continuing to make inroads into the country's motor and electronics industries.

up to tender for three

combined cycle power etations totalling 1,500 Mw to ha huit in India at a cost of \$1.28bn (£914m) on the 1,700 km natural gas pipeline.

partly funded with a \$485m

World Bank loan announced at



technology for six fertiliser plants being built on the pipeline end has a \$35m-\$40m
turnkey contract to construct one of the plants.

After a letter of lutent had After a letter of Intent had

been issued to the Spie consor-tium and a statement made yesterday io the Indian parlia-ment, both Snamprogetti and the other main contender, a Canadian consortium led hy Majestic and Novacorp of Alberta, said they accepted the dollars, verdict and would not try to rupees.

The pipeline bas heen the subject of intense competition hecause it is one of the largest and most important pipeline projects now available internationally.

Tupees.

It dropped this on Sunday to \$570m mainly hecause of the weekend devaluation of the franc.

A company spokesman said yesterday that \$80m of the projects now available internationally.

roads into the country's motor ensure that as much technology Defending the government. The client is the Gas and electronics industries.

Soamprogetti is supplying transferred to Indian companies accused of favouring Snam-consultants are engineers India.

in soft loans and credits supplied by the tenderers.

Other expected competitors

combined cycle power etations totalling 1,500 Mw to ha huilt in India at a cost of \$1.28bn (1914m) on the 1,700 km natural gas pipeline.

The power stations will be consider backing this consider backing this consider backing this control of the power stations will be consider backing this control of the power stations will be consider backing this consortium, comprising John Brown, Hawker-Siddeley and GEC is considering submitting a tendered submitted by the prising John Brown, Hawker-Siddeley and GEC is considering submitting a tendered submitted by the prising John Brown, Hawker-Siddeley and GEC is considering submitting a tender and the British consortium, comprising John Brown, Hawker-Siddeley and GEC is considering submitting a tender and the British consortium.

the weekend which the bank include Alstbom of France said is the largest amount it which last year won a \$55m

has ever lent for a single project.

Keen tendering is expected for the contracts which may mean that the \$485m covers the entire foreign exchange requirements. Under original estimates, in India, Fiat from Italy and

with aid.

Keen fight for power station contracts

THE WORLD'S major gas tur-bine manufacturers are lining \$100m\$150m would be needed many.

Brown Boveri from West Ger the current closing date of June because the project has yet to

yen and French franc pushed its price up to \$670m hy the middle of last month. Last Thursday, when fresh hids were submitted, Spie was the lowest significant contender at \$604m-\$614m priced in dollars, francs, yeo and Indian

India has heen keen to obtain the cheapest forms of financing, as well as low prices, and to ensure that as much technology Defending the government.

The 1500 Mw is split into 640 Mw at Kawas, Gujarat, at

The World Bank funding is

to be spread across all three

power atations, which might be

awarded in a single contract to

one tenderer. Companies bave

been invited to bid for one, two

Tenders have already heen

invited by India's National Thermal Power Corporation which is considering extending

or all three stations.

progetti, Mr Chandra Sbekhar Singh, Minister of State for Petroleum, told the Indian parliament that the re-tendering had saved the country Rupees 1hn (£3.1hn).

The French aid package totalling \$150m includes \$75m soft loans at 2.5 per cent over 18 years after a 10-year grace period. The Japanese package equals \$235m with \$11m loans at 3.5 per cent over 30 years with 10 years grace,
Spie will carry out 45 per cent of the total work including

60 per cent of the pipelaying the project management and It will also be responsible for telecommunications costing \$60m which are to be supplied by Alcatel-Thomson of France, including transfer of tech-

nology to the government-owned Bharat Electronics.

#### The remaining 55 per cent of

the work will he equally aplit hetween NKK and Toyo, with netween NKK and Toyo, with NKK carrying out 40 per cent of the pipe-laying and the cathodic protection, and Toyo being responsible for compressor stations.

Pipe-laying technology and experience will be transferred by the consortium to their indian partner, Larsen and Toubrop.
Ingersoll Rand will transfer

\$100m cut from last month's aero-engine turbine technology \$670m was due to currency to Hindustan Aeronautics, the changes and \$20m came from Indian Government aircraft manufacturer.

#### Technology transfer

because the project has yet to receive full approval from the

plent in West Bengal of the

Indian Iron and Steel Company

The authority has already started talks with the UK for

modernising its Durgapur plant

in West Bengal which is ahead

of Burnpur in the list of its

priorities. Funding for modern-ising a third plant, at Rourkela.

is being discussed with the

Indian Cahinet.

World Bank.

the start of the proposed pipe-line near Hazira, 460 Mw at Anta on a spur of the pipeline in Rajasthan, and 640 Mw at Auralya in Utter Pradesh.

The Steel Authority of India said yesterday it is negotiating with Japan for a loan of \$500m for renovation of the Burnpur plent in West Bengal of the

#### **UK** shares in new **Singapore** metro deal

By Chris Sherwell in Singapore GAMMON Hong Kong, a joint venture between Trafalgar House of the UK and Jardine

Matheson of Hong Kong, has won another contract worth \$\$96.2m (£30.7m) for work on Singapore's Mass Rapid Transit (MRT) metro project. The award, made to a partner ehip of Gammon with Antara Koh, a Singapore construction

company, is for the Marina Bay station and associated tunnels. It is the last civil engineering contract to be awarded under Phase Two of the project. In January last year, Gammon teamed up with Henry Boot International of the UK and Singa Development of Singapore to win the contract to supply and instal the system's complete rall track network.

The deal, worth \$207.4m, was the second largest of the metro contracts, after the rolling stock award.
Genemon had previously won

Gammon had previously won a contract for earthworks at an MRT depot end is carrying out work on another station and dapot. It has also been closely involved in the building of Hong Kong's metro system.

Marina Bay station is one of several so-called "civil defence" stations on the system, designed to provide shelter in a war. They feature special plates to withstanding flying concrete.

#### Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians. Danish and Swedish governments, AP-DJ reports.
The Norwegian Cabinet has rejected an application from the Norwegian - based Braathens South-American and Far East

Transport to begin direct traffic from the west coast of Norway to Manchester/Newcastle in the UK. Dnesseldorf in West Germany, Paris and Brussels. SAS does not fly these routes. The government based its decision on the grounds that Braathens's request conflicted with civil air guidelines in Norway, Denmark and Sweden.

## EEC approves law on Spain and Portugal trade practices

tices involving Spain or. Portugal are taking place will be able to take action under new legislation approved by the EEC Council of Ministers.

The legislation will apply during the seven to ten-year transitional period before the two countries achieve full parity. All 12 countries can complain under the procedures. complain under the procedures.
Spain has already complained about steel dumping by EEC countries, and the original ten bave faced problems over Spanish petrochemicals. Textiles end agricultural products may be other areas of dispute.

The European Commission proposed the new regulations to deal with the transition period

COUNTRIES or companies in after difficulties caused by the said, Reuter reports from the European Community which lack of regulations following Wellington.

believe that unfair trade prace Greece's accession in 1981.

Mr Willy De Clercq, the tices involving Spain or The Commission has invited External Relations and Trade

The Commission has invited industry representatives to submit anti-dumping complaints and will authorise the injured party to take protective measures, such as imposing import duties, if it finds a com-plaint to be proven. The new legislation also allows for the re-examination of

anti-dumping duties between Spain and Portugal and the other members in areas such as steel and petrochemicals.

EUROPEAN Community "We are now going to investiauthorities are to investigate
New Zealand claims that France
has put up trade barriers following the Rainbow Warrior
scandal, a Community official official visit.

Commissioner, said the Commission had asked the new Paris Government for information about its imports of New Zealand meat and wool.

New Zealand has complained

to the Commission that France is stepping up trade pressure over Wellington's refusal to free two French secret agents, jailed for 10 years for hlowing up the flagship of the Green-peace Environmental Movement in Ankland harbour last July.

## Belgrade's balancing act in fresh phase

BY ALEKSANDAR LEBL IN BELGRADE

a 14 per cent increase in total trade with the seven European memhers of Comecon over the next five years.
Yngoslavia's 1981-85 trade accords with Comecon as a whole fell slightly short of

target.

If fulfilled the new trade agreements with the East could rustrate Yugoslavia's over-riding goal of boosting hard currency earnings in the West and Third World. These are needed to service the country's \$19bn (£12.5bn) debt. 199n (£13,5bn) debt.

Non-aligned Yugoslavia is also virtually unique in setting out, for essentially political reasons, its desire to distribute

YUGOSLAVIA'S commercial this was just in line with the balancing act has entered a Yugoslav Government's formula fresh phase with the recent for East-West balance, the 18 conclusion of pacts calling for per cent share of trade with per cent share of trade with the debt-saddled Third World was considered too low.

So one of the government's aims is to raise the Third World trade share to 25 per cent, with the rest split evenly between East and West. Under agreements concluded this spring. Yuguslavia's trade with the seven Comecon countries is to rise from \$56.7bn worth in 1981-85 to \$64.3bn in 1986-90. Yugoslavia has formal observed agreements. olearing or barter agreements with its three largest Comecon trading partners—the Soylet Union, Czechoslowskia and East Germany.

The value of shipments is its trade more broadly.

Last year, East and West each accounted for about 41 per cent of Yugoslav trade. But, while currency does not change hands.

YUGOSLAVIA'S TRADE WITH COMECON

58.7 31.0 44.3 37.0 USSR Czechoslovakia East Germany

#### Isuzu to lower price of cars for sale in US By Yoko Shihata in Tokyo

ISUZU IS TO lower by 5 per cent the yen-dominated prices of the cars it supplies to General Motors for sale in the US.

the US.

The move, at GM's request, reflects the sharp appreciation of the yen against the dollar and is expected to reduce the pre-tax profits of the Japanese vehicle-maker, in which GM has a 34.2 per cent stake, by ahout Y5bn (£19m) a year.

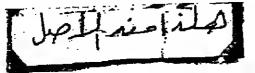
Other Japanese car-makers including Suzuki, which also has a supply agreement with GM, are expected to follow suit.

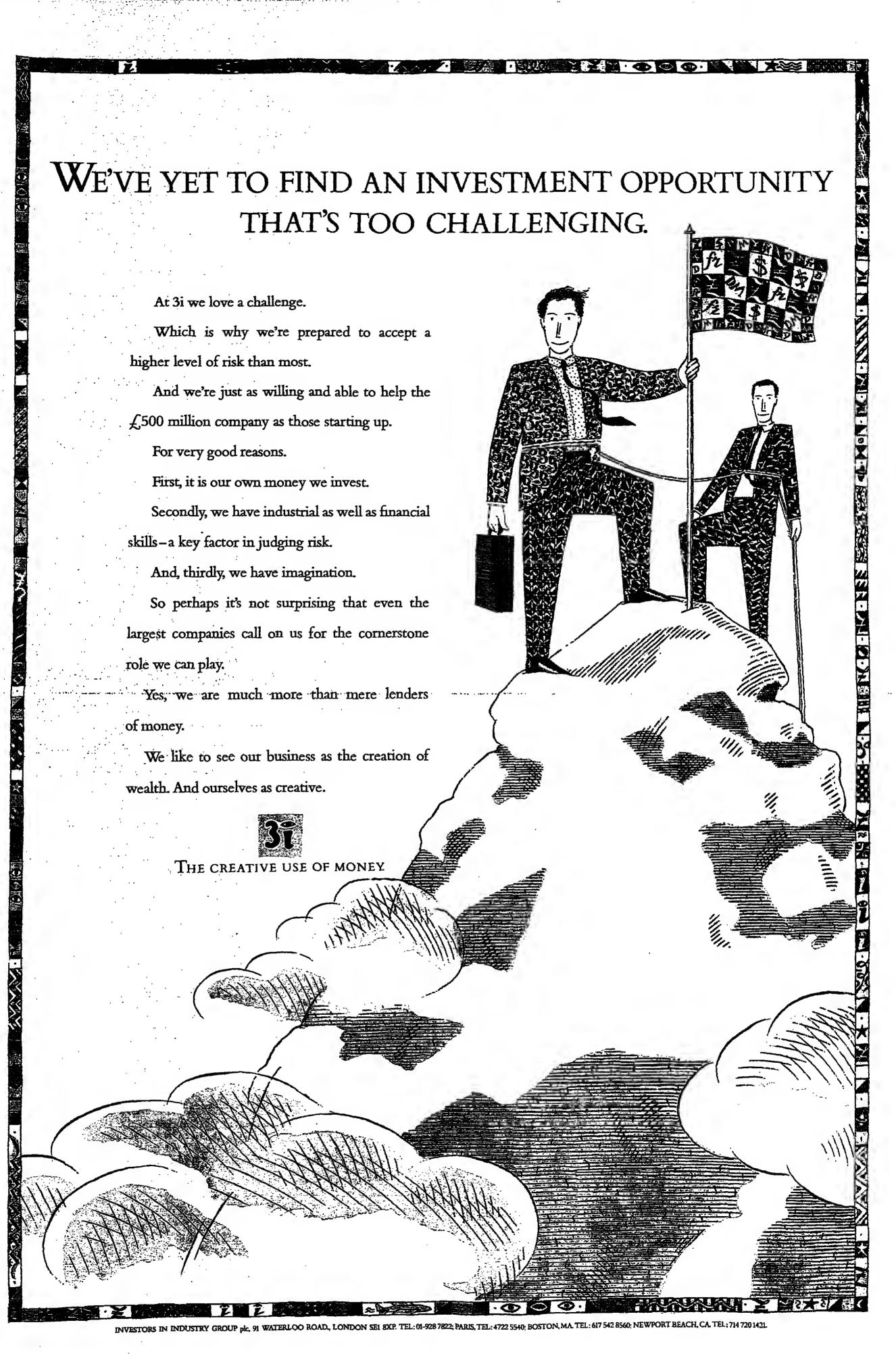
suit.

The move, against a background of reduced demandfor ears in the US this year,
indicates that the price-compelitiveness of Japanese cars
is now under severe pressure
as a result of the yen's
appreciation.

Japanese car sales in the US during the fiscal year to the end of March totalled 22m units, against an import quota set at the start of the year of 2.4m units. year of 2.4km units.

China is reported to be developing two centres to make small cars. Reuter reports. One centre at Harbin will produce 40,000 cars and 50,000 engines a year by 1987. The percond centre he at the Tianjin Motor Vehicle Industrial Company, and will produce 10,000 cars a and will produce 10,000 cars





# UK Provident faces line of rescue options

al life company. UK Provident Insti-tution, may be faced with the choice portion of its growing life funds.

The provident Insti-tution, may be faced with the choice portion of its growing life funds. between being absorbed by another between being absorbed by another financial institution or varying fuhigh interest rates on its popular ny, and it would be hard for UK ture bonus rates so that it can con- deposit investment plan for pension Provident to restore confidence tinue to operate independently.

three rescue plans are on the table. oee white knight reportedly being term vehicle. The company closed the Trustee Savings Bank and anthis £100m fund to new subscribers other being a mutual life company. Loeg-established traditioeal life companies, such as UK Provident, which was incorporated in 1840, have such strong reserves that they can normally ride out one or two adverse financial developments with-

to with-profit policyholders. However, UK Provident appears

THE BOARD of the troubled mutu- whee ie any case it has been run- fading rapidly. Many insurance in-

schemes, a plan that is used for It is understood that at least sbort term investment although it ket place. was designed strictly as a medium more than two weeks ago.

Secondly, it has been suffering from the cost of financing rapid growth in eew husiness, particularly last autumn's launch of unitlinked bonds. Finally, its sizable verse financial developments with-out significantly affecting bonuses rather dull performance in line with the market generally.

quickly in a highly competitive mar-

Insurance intermediaries are calling for an early clarification of the position, and it is understood that UK Provident hopes to make an early announcement.

While a rescue would make commercial sense, it would involve consince UK Provident is a mutual life company without any equity shareholders. Technically, it is owned by its with-profit policyholders and The option to continue on an in- any changes in its structure would to have been hit by as many as three separate problems at a time any does not cut its bonus rates, is any changes in its structure would require the approval of the overwhelming majority

Mr Geoffrey Mulcahy, Wcolworth managing director, said: "A lot of our employees are very angry and very upset by Mr Kalms' reported commeets. It is not our intention to

## Trust to promote share ownership

UNITY TRUST, the trade unionbacked financial institution, has set up a new company, Esop Ltd designed to promote amployee share ownership plans in Britain on the US model.

The eew company will be an advisory and consultancy service intended to help companies wanting to introduce employee sharehold ing. Unity Trust sees it as particularly relevant to management buyouts and has already been involved in the proposed management buyout for Land Rover.

Trade unions provide a big part of Unity Trust's £40m deposits, and the unions have generally wel-comed the trust's backing for employee ownership, a highly unusual move for British unions. City of London institutions involved in management buy-outs yesterday gave a cautious welcome to the trust's initiative

The specific idea which Unity Trust is promoting leans on US experieece. On one recent estimate, more workers will be in employee share ownership plans (Esops) in the US by the end of the century than in trade unions.

An employee trust is at the heart of the type of Esop which Unity Trust wants to promote in Britain.
The employee trust would hold a
block of shares on behalf of all employees in a company introducing an Esop. Theoretically, the block might be any size.

In Britain, there are eow plenty of management buy-outs, but many fewer buy-outs involving most of the workforce. Institutions specialising in buy-outs put this down to the speed with which most buy-outs have to be organised and to the problems of dealing with more than a small group of senior managers.

Unity Trust reckons that an Esop could fill that gap, helping to bind the whole workforce to the success of a buy-out. Money to pay for the Esop would be raised by loans through Unity Trust itself and through other leading its little and through other lending institutions, including the Co-operative Bank which part owns Unity Trust. The loans could be repaid in a number of ways. Employees could gradually buy shares from the trust, perhaps by taking annual bonuses in the form of shares, though employees would have to sell the shares if they left thus knowing the Form stake it. left, thus keeping the Esop stake at

a minimum level.

Before establishing an Esop, Unity Trust and any other backers would need an indication that the employees were interested in the basic idea. But they would not need the elaborate negotiations with individual employees or groups of ememployee entail shareholding would

Unity Trust has already had a trial run at this through participation in the attempt to put together the management buy-out of Land Rover. The buy-out team, advised by Schroder Ventures, agreed that Unity Trust would take a 10 per cent equity stake in the form of an 上,我们的现在分词,这一位,我们的现在分词,我们们的现在分词,我们就是这种人的,我们就是一个一个,我们们的一个一个,我们们的一个一个人的人的。我们们们也可以会 第一天

Postipankki

Banque Indosuez

Commerzbank Aktiengesellschaft

Great Pacific Capital S.A.

Daiwa Bank (Capital Management) Limited

Deutsche Bank Capital Markets Limited

The Nikko Securities Co., (Europe) Ltd.

Takugin International Bank (Europe) S.A.

Union Bank of Switzerland (Securities) Limited

Kredietbank S.A. Luxembourgeoise

Nomura International Limited

Westpac Banking Corporation

Saitama Bank (Europe) S.A.

NEWSPAPER GROUP SETTING UP IN-HOUSE BARGAINING GROUP

# Murdoch takes tip from Japan

BY PHILIP BASSETT, LABOUR EDITOR

NEWS INTERNATIONAL, Mr Rupert Murdoch's UK publishing group, is setting up in-house bargaining and consultative arrangements with its employees modelled oe the strike-free agreements in a number of Uk-based Japanese factories.
Traditional print unions are like-

ly to view the new arrangements as a step towards company-unionism or non-unionism. However, Mr Bruce Matthews, NI's managing di-rector, yesterday re-emphasised the company's ietention to retain

A five-member team at NI is drafting the new procedures to cover all bargaining and consulta-

BY OUR LABOUR STAFF

It is clearly a real dilemma for the unions evidenced by the differ-ent signals oe it which have

emerged from print union leaders. The genesis of last Friday's offer is no less startling than the fact of

its being made. It is seen by the

unions as bearing the obvious stamp of Mr Murdoch himself, but

in fact it stemmed from a reader's

On February 27, the Times pub-

lished a letter from Mr D.P. Forbes,

of London, suggesting that the gen-

eral print unioe Sogat '82 should make a "virtue of necessity" and

grasp the "tremendous opportunity" offered by the dispute. This meant

obtaining News International's sur-

plus printing capacify and launch-ing a left-of-centre popular daily to

exploit the allegedly enormous readership potential in \$555. a newspaper and to offer something better than unemployment to the 5,000 sacked print workers.

month mark?

to expand the team's numbers and to put the seats on the final body out to electioe within the Wapping

The body would handle pay negotiations for the company's employ-ees though such talks are not envi-saged until eext year. Print work-ers earn from £17,000 to £30,000 a year at Wapping.
Company officials have visited a

number of Japanese plants, including Hitachi in South Wales, to look at their complex consultative ar-rangements which form a key ele-ment of their "no-strike" deals.

Such procedures include the company making joint decisions with

range of policy issues. These decisions are based on detailed financial informatioe about present and projected performance supplied regularly to the consultative body.

'NI managers are ready to make similar provisions on sensitive commercial information when the new arrangements are m force.

The company is also prepared to add further financial provisions to its unprecedented offer of last week to make over to the unions its printing plant at Grays Inn Road in London for the production of a labour

tive arrangement. The intention is employee representatives about a quired to offer NI first refusal of the plant if the paper failed within five

> NI costs the offer of its plant at about £55m, but it is likely that further money - probably in the region of the £14m the company mentioned earlier in the Wapping dis-pute - would be made available for hardship and compensation for those dismissed after going on strike against the move to Wapping.

There are no clear signs yet that the further money would be dependent oe accepting the plant of-fer, but if the unions take up the Grays Inn Road scheme, the company would be able to move to fur-ther talks more easily.

## Dixons' chief sued by Woolworth

BY CHARLES BATCHELOR

general store group which is fight-Dixons' chairman.

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This is the latest in a series of hid ing a £1.7bn takeover from Dixons, battles which have prompted legal writs in the course of its battle for Woolworth objects to a statement Imperial Group as have Guinness, reportedly made by Mr Kalms that which is bidding for Distillers and GEC which is attempting to acquire

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WOOLWORTH HOLDINGS, the do many of its divisional directors. tle, its £248m bid for control of Currys, its electrical rival, ended in the High Court when Currys unsuccessthe electrical retailer, yesterday issued a writ claiming injurious falsehood against Mr Stanley Kalms,
Dattes which have prompted legal right court when currys insuccess
fully challenged the level of acceptsuch an early stage in the campaign. Hansoe Trust has issued
Mr Geoffrey Mulcahy, Wcolworth

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TALKS this week, probably starting today with a meeting of print VALUE OF MURDOCH'S OFFER unioe leaders, may begin to put ne-Printing units
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Sprige (paper direction equipment)
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Press and publishing electrics
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\*\*Motocomposition system\*\*

\*\*Motocomposition syste gotiating flesh on to Mr Rupert Murdoch's extraordinary offer to make over to the unions News International's printing plant at Grays Inn Road, London. The Times and Sunday Times used to be produced, at the plant before they moved to the high-technology facility at Wapping, in London's docklands. The move led to the loss of about 5,000 traditional

Reader's letter sparked union dilemma

Mr Murdoch's offer is unprecedented and audacious - but how in the tabling of the offer last week setting equipment, and 2 APS Micro carefully timed in advance of a long-planned rally in London's Tra
• Wire room, darkroom and photorealistic is it? And how much of a problem does it pose to the unions as the dispute nears its three-

algar Square. graphic equipment.

The idea chimed in happily with 150 Linotype machines and other the growing realisation in NI that, while the company might want to increase its UK printing capacity because of the strains of producing in Wapping, it might well not want to de so in London.

Instead, a third printing plant —
papers are produced now in Scotland as well as at Wapping — would
be established outside Manchester,
leaving the Sun/News of the World
site in Bruwerie Street Levile site in Bouverie Street, London, which NI owns, up for sale for rede-

Broad outlines only of the offer were disclosed last week, but in more detail it consists of making

 The rear of the original Thomson-House building on Grays Inn Road. The front of the building which boused the Sunday Times, and the old Times building are both leased. and the end of those leases would

5,000 sacked print workers.

Mr Bruce Matthews, NI's managing director, saw the letter, liked the idea, and passed it on to Mr Murdoch. He liked it, too, and demander of these leases would be negotiated.

A total of 60 printing units, six paper folders and their associated conveying, stacking and tying machines. • Existing Text II electronic type-

doch was effectively telling the print unions: I no longer want to produce these papers with your people, at your manning levels, on your pay, with your working practices. But the unions have replied that it was their members - with their manning, pay and practices who contributed massively to Mr Murdoch's profits, demonstrating newspapers could be produced successfully with these practices.

To make a newspaper work, the print unions would have to face ex-ceedingly difficult decisions, including cutting down their own numbers and the question of direct entry of copy by journalists: Walking away from such choices

would seem to be the best option for the unions, but it is not one they can easily take. The labour movement has long cherished a desire for its own paper, and Mr Mur-doch's offer might be that dream's best chance of becoming reality (which is why the Labour Party is thought to be keener on the scheme than the Trades Union congress).

The site comprises about 223,000 Mr Dubbins and Ms Brenda sq ft, plus another 80,000 sq ft in the Dean. Sogat general secretary, basement and front hall of the old have also stated they see more valued through the building. Costings put to the unions, based — and if NI can get agreement on on the start-up cost of the equipting the plant, it might well be prepared to go on to consider hardship and the plant if it were bought now, are compensation payments for those That is the hard detail of the of- sacked.

That is the hard detail of the offer. its implications went further and were described by Mr. Tony
Dubhins, general secretary of the echoing Mr Dubhins view. But, in a MGA craft print union, as danger dispute in which public opinion has ous, when they were put to him. been consciously seen by the This was in part because all unions as their main weapon, Mr clever offers in disputes – and few Murdoch's move may well have secome cleverer than this – are disconserting but mainly because the concerting, but mainly because the advantage, throwing the unions impact of the Murdoch offer was to back on the themselves in the most throw the unions back on the nub; awkward way possible. There is In moving to Wapping, Mr Mur- Wapping ball is.

### Dispute in prisons threatened

PRISON OFFICERS in England and Wales will tomorrow vote on industrial action in what their

general secretary, said yesterday: "The prison department needs to act in good faith. It needs to ensure that both local and national agreements are not broken nilaterally by the department."

Since the start of this month two prisons have announced plans to introduce Sunday work rotas on Fridays to make savings, the union says.

It claims the budgetary changes are hitting almost 50 per cent of the prison population. With tighter budgetary control required by the department from April 1, the POA warns that the

to vote for industrial action up to and including the possibility of a strike. However, POA leaders say Whitehall officials are scepti-

motive for the dispute. They say it has more to do with a threatened loss of overtime by prison officers than with prison conditions. The officers' average earnings are £15,000 a year.

By David Brindle

industrial action in what their union and the Home Office fear could signal a rerun ef a 16-week prison dispute in 1980-81.

Talks between the two sides are due today, but there is little eptimism of a settlement, and leaders of the Prison Officers'.

Association (POA) say the ballot will go ahead regardless.

If disruption does take place, it will be the first national dispute in the Civil Service arising from the Government's Financial Management Initiative, by which budgetary control is being de-volved to local level.

According to the POA, this means governors of prison estab-lishments are able to ignore local and national agreements on staf-fing levels and meet budget targets by imposing any levels they consider appropriate. Mr David Evans, the union's

invation of humane regimes for immates is at risk. It is urging its 18,500 members

they will not call an all-out strike, though they are not other-wise disclosing their tactics.

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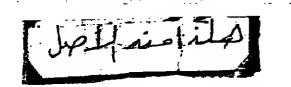
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#### **UK NEWS**

David Fishlock looks at plans to allow irradiation of food

## All clear for 'picowaved' menus

A MERRY throng of ministers and ter of Darwin College, Cambridge, senior government officials from 96 and one of Britain's top medical nations scoffed deep-fried frogs' legs and shrimps with evident rel-ish at a party in Vienna.

One unusual factor, however, set the occasion apart from most others like it all the food bad been proessed with auclear radiation to en sure no-one would suffer food-

Even the orchids decorating Vien-government approval of irradiated ma's Hofburg for the occasion had food is expected to spark fresh pubbeen treated so that no living insects accompanied the blooms from

Britain may soon be holding its own celebration to welcome the arrival of auclear processed food, un-

Since 1982 an expert committee

The committee was asked to study the question following a favourable report in 1980 for a UN ex-

The report of the UK committee In the US the Food and Drug Adheaded by Sir Arnold Burgin, mas ministration, watchdog of public

scientists, is due on Thursday.

Like the UN experts, Sir Arnold has been unable to find any evidence that irradiation of food under the conditions recommended will

Nevertheless, as e new application for nuclear energy not previ-ously licensed for use in Britain.

Food irradiation is a pasteurising process, carried out at levels of tadiation intensity much lower than are already used to sterilise medical goods such as surgical gut and artificial jaints implanted in people.

It uses byproducts of nuclear physics to obtain the radiation. They met up by the UK Department of chude highly radioactive materials Health has been reviewing the evidence of 30 years' research world as a source of gamma rays in mediwide on the safety of "irradiated" cal diagnosis and treatment - and machines such as electron-beam

The radiation, like the popular microwaves used for cooking, is anpert committee drawn from three of other band of the spectrum of elecits agencies - the world Health Or- tromagnetic radiation, a million ganisation, the Food and times shorter than microwaves. It Agricultural Organisation and the raises the food's temperature only a nternational Atomic Energy Agen- few degrees but is lethal to such . toxic organisms as salmonella.

safety for consumables, has pro-posed the term "picowaved," by an-beans. alogy with "microwaved," instead of

Soon after Sir Arnold's committee convened, the British food industry mounted its own co-operative research programme to help decide where and how it might use the new process. For £500, the 800-odd members of the Leatherhead Food Research Association in Surrey can buy a report of the industry's trials on the pasteurisation of a wide range of foods, using both gamma rays and electron beams.

The laboratory has used taste panels to judge any effects on fla-vour and texture, at different radiation levels - all well below the limit set by the UN experts.

It is no cure-all, says Dr Alan Holmes, the director, whose interest in the process dates back to his days as a researcher with Unilever in the 1950s. Milk tastes "nasty. cabbage loses its crispness, celery become sweeter but lose their

As a general rule, irradiation has ns with foods high in water and lat, such as dairy products and industry would like to treat cocoa beans at source to kill off any infestation, but so far the taste panels have found a persistent mustiness

But Dr Holmes's scientists have scored successes - for example, with cheddar cheese, which they now know how to treat for long-

shelf life without going mouldy. They have also verified its value in prolonging the freshness and shelf life of many fruits and vegetables, and mushrooms. Asparagus spears also stay straight, and anions and potatoes resist sprout-

Dr Holmes believes two factors above all will decide whether the food industry adopts irradiation. One is the possible economic advantages of the extra flexibility. A hig capital outlay - £1m-£1.5m - is needed to set up a food irradiatioa facility, although Dr Holmes sees this having the advantage of discouraging "cowboys" wha could undermine any merits.

For the housewife, the first clear benefits could be the availability al exotic fruits such as mangoes, pap-aya and figs almost all year round.

The second decisive factor will be public acceptance when other nuclear activities are constantly in the public eye. Either the British housewife will accept the advantages, as she has accepted the advantages of microwave cooking in spite of scare stories about radiation leaks from ovens sterilising bystanders.

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## Dishwasher launch loses some sparkle

BRITAIN'S only dishwasher pro-duction line will be officially opened tomorrow with the company's management bristling at criticism that the products are not British

The new line is at the Kelvinator factory in Bromborough on the Wirinsula in north-west England. The plant was bought from US-owned White Consolidated Industries in 1980 by Candy, Italy's third-largest manufacturer of de-

mestic appliances.
Since then, Candy has increased daily refrigerator output at the plant from 200 to 1,100, and the number of employees has doubled

A new refrigerator line was laid down last moath at a cost of £500.000. This came on top of £250,000 spent on the new dishout machines just before Christmas, creating another 20 jobs. The plant is assembling 60 disian Hamilton Fazey reports on criticism surrounding revival of the UK's dishwasher production line.

hwashers a day, but this is expected to accelerate quickly towards 200 British sources. during the spring. The new machines are the first-

dishwashers to be made in Britain since the home industry became uncompetitive and shut down in the has faced criticism for being simply an assembler of Italian kits.

Mr. Colin Darwen, Kelvinator's marketing chief, said. That's the only way we could get the line start ed. We imported everything so as to learn and smooth out ass problems as quickly as possible. Ever since, we have been continuously replacing more and more bits of the machines with home-made

Some parts, such as the outer cas-

ing, have been easy to obtain from

made in Britain. When you don't, as a nation, make dishwashers, no one makes the specialised compo-nents they need. You can't get things like programme timers in Britain. Mr Darwen says.

For the same reason, the specially formed stainless steel interiors rill also have to be imported. But he believes most machines will seen be British, providing jobs among component manufacturers

tastes lead to smaller dishes, plates and cups - and all in sets of 12. The British prefer big plates, usually in half-dozen sets, and many drink tea and coffee from mugs.

Replacing the Italian baskets, therefore, is not a matter af copying them but of designing something different to suit British habits. Moreover, Mr Darwen believes that replacing these components ought to give Kelvinator's almost-British dishwashers an edge over foreign

At stake is an expanding market in the UK, where dishwashing habits are changing quickly. When British manufacture stopped, there was a lack of domestic volume to offer economies of scale. The market had -stuck at 100,000 machines a year.

One difficult design problem re- Sales now are estimated at lates to the plastic covered baskets 250,000 a year and rising. The main in which dishes are stacked. A cul-reason appears to be the growth in tural divide is the culprit. ... fitted kitchens which include the Mr. Darwen says Continental latest labour-saving devices.

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April 8, 1986

#### **UK NEWS**

## Austin Rover may Big Bang 'may find build Honda Ballade some firms unready' at Longbridge plant

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

bridge plant in Birmingham by the end of year under a subcontract deal with the Japonese company.

The state-owned company sees the deal as an opportunity to get much-needed volume on its underutilised assembly tracks.

Production of the Ballade, Honda equivalent of the present Long-bridge-built Rover 200 series, will-run from this November at about only 4,000 vehicles a year.

only 4,000 vehicles a year.

There is scope within the BL corporate plan, however, for Honda subcontract assembly to rise to as much as 100,000 vehicles a year by the early 1990s. The Longbridge pilot scheme will have a key role in deciding whether such targets can be achieved Honda will be avanished. be achieved. Honda will be examining the quality of the UK products and bow it compares with imports.

Whether Austin Rover capacity is-used at Loogbridge or the Cowley comlex in Oxfordwill depend upon the Honda models to be assembled. Austin Rover must look increasingly to its collaborative ventures with Honda, following the govern-

ment veto of merger talks with Pord of Europe. The volume cars company, after

AUSTIN ROVER, BL's volume cars suffering a trading loss of ap-company, is likely to start building proaching £10m in 1985, is likely to Honda Ballade cars at its Long dip into the red again this year and is hardly an attractive proposition

Austin Rover seems to have maintained close relationship with Honda despite the political and commercial arguments about a possible tie-up with Ford. Talks with Honda are well advanced on the next in the part with the province the second of the second o next joint venture - code-named the ARS, which will replace the present Rover 200 series and Maestro and is

expected to be launched in the UK in spring 1989.

The new car is seen as crucial to establishing Austin Rover's pres-ence in the vital fleet market where it has so far failed to achieve the necessary impact with its Maestro

Vauxhall-Opel's share of teh UK
new car market fell to 14.03 per cent last month

The drop, which left it 2.71 per cent behind BL, prevented the GM sub-sidiary from demoting BL to third place in the sales charts in the year's first quarter overall, writes.

John Griffiths.

Ford remained the clear market leader, with a share of 28.12 per cent, according to statistics published by the Society of Motor Manulacturers and Traders yesterday.

BY ALAN CANE

nological preparations for the Big Bang which will transform the Lon-don stock market this autumn, and the Stock Exchange admitted yesterday that some may not be ready

m time Mr Patrick Mitford-Slade, chairman of the Stock Exchange projects committee, said the Big Bang would go ahead on October 27 "come what may." If member firms were not ready, it could cause chaos, he said.

but commercial pressures meant no delay could be brooked. Speaking at a Financial Times conference in London on technology and the new securities markets, he told delegates: "We are aware of some firms who do not look as if they will be ready, sometimes be-cause they are dependent on out-side suppliers. We are doing what we can to help, advise, cajole, bully ar suggest alternative short-term solutions, but at the end of the day there can be no question of delaying Big Bang because some players,

however large, are not ready."

The Big Bang in the City of London will mean the end of minimum trading. The new broker/dealers are having to install automated equipment in a very short time to

nsure their competitiveness.

Dr Paul Neild, head of equities at tockbrokers Phillips & Drew, technologically one of the most advanced firms, expressed the fears felt by all the exchange's members when he asked: "How many of these trading systems are going to be ready by October 27?"

Mr. George Hayter, divisional director of information services at the Stock Exchange, described two new services — Sear Automatic Execution Facility (Saef) and the Block Order. Exposure System (Blox)—due to go live in the autumn of 1987. Saef, he said was an automatic small order execution system dealing with trades of up to 1,000 shares it should generate huge sav-

(\$35) and £36. "It is too early to say what a Sael execution will cost but £2 ought to be achievable," he said.

With the pressure fowards greater automation in dealing, only price would differentiate between one dealer and another, Mr David Victor, managing director of CAP Financial Services, told the conference. Firms looked for "packaged", solutions in peneralised, computer systems capable of fast low-cost installation. In the future, they would stallation in the future, they would

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man

the bravest

CITY OF LONDON firms large and small are in trouble over their techof Reuters Holdings, sharply at-tacked the 5 per cent tax on American Depositary Receipts announced in last month's UK budget. If the tax went shead it would damage more than the ADR market.

He said efficient information services stimulated international trading volume even if it reduced profits on individual transactions. The efficient dealer gained more from the increased volume than be lost in reduced margins.

Mr Peter Doney, joint managing director of Tullett & Tokyo Forex International, the interdealer gilt screen-based system modified for the UK market from the system used by RMJ, the largest US secur-

ity brokers. He said: "Our experience has shown that very few mistakes occur



CONFERENCE

m the transaction of the trade. The majority occur in the confirmation or settlement. We believe that by using our system, most of these time-consuming problems will be eliminated. Mr Michael Jenkins, chief execu-

tive of the London International Fi-nancial Futures Exchange, de-scribed the systems used there and said the exchange had gained by These included reliability and re-

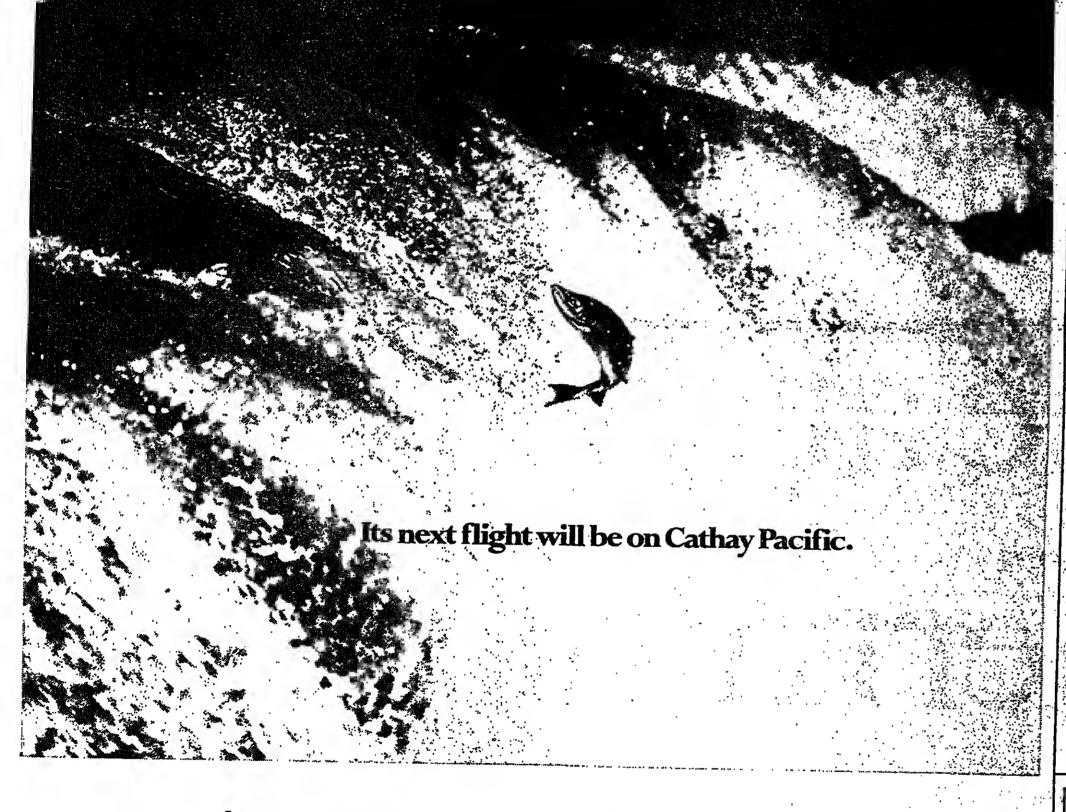
sponsiveness to change: "When we ran into capacity problems with our ings for traders.

Typical dealing and settlement able to double capacity in a couple costs for each trade in a medium sized firm were now between \$24\*

Mr Jack Carrothers, chief administrative officer for Merrill Lynch

Europe, said that in the international equity markets information tech-nology and its delivery systems would be critical resources for companies alongside the already recog-

But before dynamic systems could separate the present static ones; a revolution had to take plack in the way business was done in international equity markets.



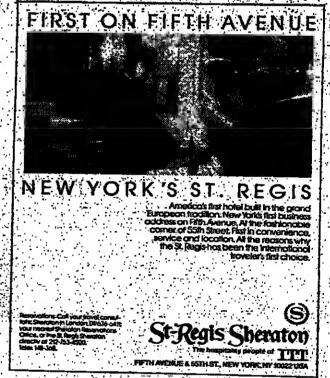
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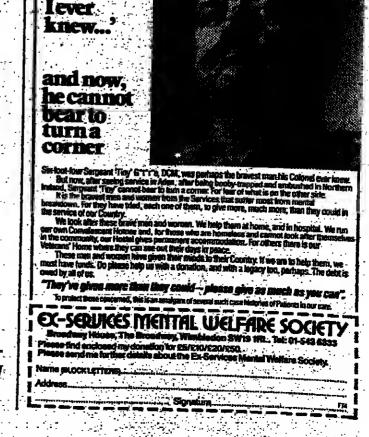
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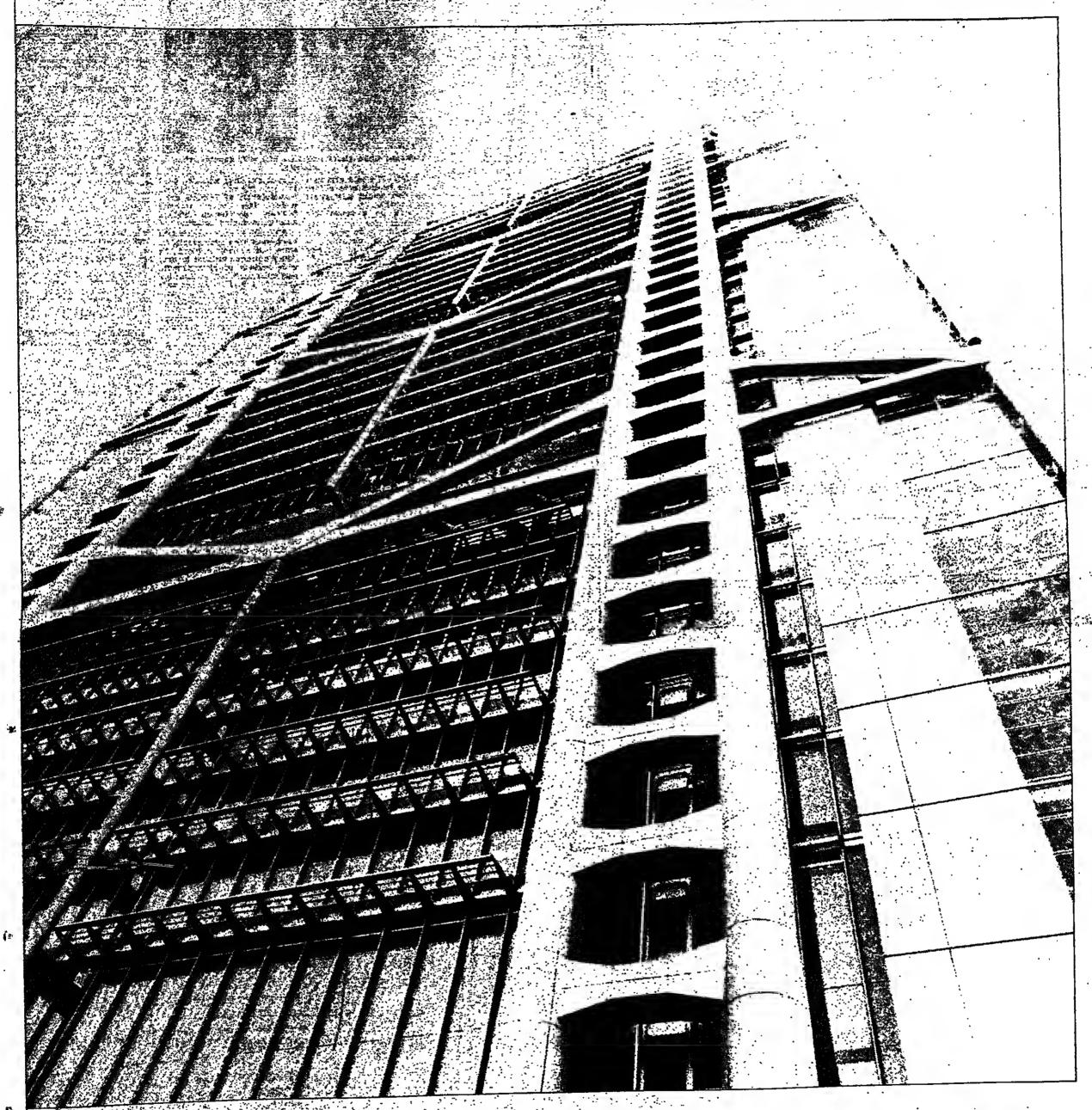
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### SOUTH KOREA

# A brighter economic outlook

BY STEVEN B. BUTLER IN SECUR

MR KIM MAHN-JE. South

Korea's Deputy Prime Minister for Economic Planning, is smil-

ing a lot in public these days. The stock market has caught

on too. Enthusiastic investors have hid share prices up by

have hid share prices up by over 40 per cent since October, mocking government efforts to cool an "overheated" market. Throughout Seoul, economists are busily jacking up growth projections for the year, with 7.5 per cent now a conservative choice.

The occasion for this good cheer is a dramatic transforma-tion of the world economy in recent months that could have

South Korea arrived in Lendon yesterday at the start of the

yesterday at the start of the first official visit of a Korean head of state to Europe. His visit is an indication that the world recognises how far Korea

has come. However, his country's politi-

The opposition is now riding high on a groundswell of popular support for democratic

dent's political problems, it restores an essential element of

far more for Korea than a few

years of good growth. Strong growth will give the country

the resources to correct basic structural weaknesses in the

U.S. \$300,000,000

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recent months that could have an historic impact on Korea. A mere quarter-century after conomic growth began, Korea now stands to become the first large, diversified economy in the post-colonial world to join the ranks of the industrialised nations—surging forward on the back of cheap oil. lower international interest rates, and the national interest rates, and the rapid appreciation of the Japanese yen.

President Chun Doo-hwan of

achievement for a country destroyed in war 35 years ago and left with virtually no natural resources or industry

That year, however, the Government launched the first of a series of economic plans cal system lags far behind the economy. Mr Chun's political situation has become increasingly difficult recently as the challenge to his rule grows more vocal. designed to take advantage of the single resource that Korea had in abundance — a people with driving ambition who did not know how to rest and were surprisingly well-educated.

Korea began with highvolume exports of cheap light
manufactured goods, mainly
textiles, taking advantage of low
wages. It has moved on
gradually to electronics, shiphuilding, steel, machinery and
now automobiles. Since 1962,
the economy has expanded by the economy has expanded by over 8 per cent a year.

popular support for democratic reform of the constitution to allow for a direct election of the President Mr; Chon has refused to bodge, and will not consider a constitutional amendment until after 1988, when he has pledged to step down from office.

Mr Chun rose to power in a military coup in 1980 and has never succeeded in winning widespread support among his people. While the economic recovery hardly solves the President's political problems, it The economy nonetheless acquired disturbing structural problems at the end of the last decade resulting from the dual oil price shocks, prolonged high infiation and ill-advised govern-ment intervention. These weakcredibility to the regime.

The brighter outlook means uncomfortably fragile.

Now after a generation of toil, Korca is receiving a sudden, unexpected and decisive shove forward from the world economy.

economy.

Although it still lies years in its history, Korea is expectahead, the result could be an ing a trade surplus. The current economy with strength across a account could run in the black range of industries from textiles by ever US\$10n. This, conto automobiles and high-tech himed with a rising rate of

President Chun (left) and Kim Mahn-Je, deputy Prime

electronics. It would also give domestic savings, will stop dead Korea the resilience to absorb in its tracks a worrisome shocks that would now cause accumulation of foreign debt, severe damage. which last year reached
It would be a remarkable \$46.7bn, the fourth highest

with virtually no has always been manageable, its on natural resources or industry scale had sharply reduced the by a tragic national division.

Only one generation ago, Korea with periods of slow growth, was locked into severe, stagnant particularly when worldwide poverty, with a per copits GNP demand for Korea's slummer.

That year have the demand for imported goods, widening the current account deficit and forcing the nation to raise more funds abroad.

The arithmetic for renewed optimism is simple. Each \$5-a-barrel drop in the import price of oil could lead to a \$1.1bn-a year improvement in the current account, according to the Korea Institute of Economics and Technology. With much of Korea's foreign debt pegged to US prime and Euromarket rates, a one point decline in international rates can save \$300m.

The strengthening of the yen should boost Korea's exports to Japan quickly and increase de-mand for Korean goods that compete with Japan worldwide. This could show up dramatically in consumer electronics and antomobiles. In 1979, Korea's current ac-

count deficit suddenly quad-rupled to over \$4bn and in the next year the economy shrank by 5.2 per cent. For the past five years Korea's economic planners have been picking up the pieces, reining in inflation and trimming back over-invested industrial sectors. .. After a unique, prolonged display of restraint that carried a high political price; they have largely succeeded. Infa-

tion has stabilised at under 3 per cent, and the rate of domestic savings has risen from about 21 per cent in 1980 to 28.4 per cent last year.

Yet wringing inflation out of the system took a heavy toll and badly soured relations be-tween the Government and the private sector. Manufacturing investment has been dangerously sluggish, growing around 5 per cent recently.

The best news is that manufacturing investment could surge ahead by over 40 per cent this year, according to a survey of intentions conducted by the Government. This will supply relief in a key area. Korea can no longer hope to compete internationally on the basis of cheap labour alone. Its wages have risen faster recently than those of competitors in Hong Kong and Taiwan. The higher investment will provide new machines and technology to help raise productivity.

The Deputy Prime Minister

among developing nations.

Although Korea's foreign debt is still cautious. "These problems always been manageable, its scale had sharply reduced the policy options available to deal with periods of slow growth, periods of slow growth, productivity. The periods of slow growth, productivity.

Nonetheless, if Mr Kim and his colleagues eventually suc-ceed Kores could emerge with a mature economy, genuinely driven by the market Investment would be financed mainly from internal savings. The industrial structure would have depth, variety, flexibility and resilience. In short, the country would no longer have a developing area.

developing economy.

Already Korea is of increasaround the world, for both the competition and the opportunities it offers in a remarkable range of industries. Foreign investment approvais: last year passed \$500m for the first time.

passed \$500m for the first time. Direct foreign investment in Korea is likely to play an increasing role as the economy thirsts for technology.

Korea still has a long way to go before it can be accepted as a full citizen of the developed world. Fer capita income is still only about \$2,000. The loped world. Fer capita income is still only about \$2,000. The economy hides behind a wall of inacceptably high protectionist barriers and intellectual property is poorly protected. The country faces an uncertain political future as the opposition becomes more vocal. For years to come, North Korea will pose to come, North Korea will pose

a military threat.

Korea is not there yet, but the world economy in recent months has gone remarkably far in clearing obstacles from its path.

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Prime's

annual meeting.

THE NEW hand at the helm of the National Federation of Self Employed and Small Businesses is that of 54-year-old Brian Prime, who was elected chairman at the group's recent

His elevation makes him the

### THE MANAGEMENT PAGE: Small Business

William Dawkins reports on financial appraisal

# A consumer test for credit rating agencies

FEW SMALL businessmen worth their salt will sign a contract without first finding ont whether the customer can

One relatively quick and convenient way of getting a financial fix on new customers is to use the fast expanding services of Britain's credit checking and company information agencies, which collect data on the financial wealth and payment ability of any As competition between the

agencies gets more intense thanks to the arrival of new players and as advances in information technology per-mit the introduction of new and cheaper credit checking services, the agencies are getting increasingly keen to ex-plore new markets, such as

reports, they argue, can be vital decision-making tools for enterprises too small to for enterprises too small to do their own credit analysis. But what is their perfor-mance really like? And is it consistent? The FT has endeavoured to find out by asking a selection of credit rating and businss informa-tion agencies to provide a basic written report on one basic written report on one company, Minimetal Ltd, a once troubled Welsh mechanionce troubled Welsh mechanical engineer now in the throes of recovery. For obvious reasons, the company's name and location have been changed. But all others been changed. But all other dctails of the business, which has been closely examined by the FT, are anthentic. The reports ore intended

and Jordans are in the business of supplying objective information from which businessmen must make their own judgments, while the rest aim to provide full credit assessments. All the ogencica were asked to provida something for between £10 and £15 except for one. Trade and Commercial Credit Corporation, which is de-liberately included to show what can be obtained by mov-

able. Two agencies, Infolink

ing np-market.

But even with those provises in mind, the differences of opinion between the agencies are at first sight startling. Minimetal Ltd and its parent company, Minimetal Holdings, are thought to be good for anything between £10,000 and £90,000. According to one

group—ironically the one that advises a £90,000 ex-posure—Minimetal Ltd might go bust within two years. Another quotes o trade reference suggesting that the company is "trustworthy for normal business engagements," a quite different im-

agencies' varying conclusions all appear reasonable based on the different information listed in their reports. Apart from a few minor emissions, none of them strays far from the FT's own knowledge of Minimetal. But in view of their differing interpreta-tions, the basic information the reports contain is prob-ably more useful than the conclusions they draw from

One important shortcoming shared by practically all credit reporting agencies is that their views are based on information which can be a year or more out of date. They rely for data on sources like Companies House, court

like Companies Rouse, court judgments, newspapers or their own customers' records, which are inevitably historie. That is why none of the reports picks up the fact that Minimetal Ltd's latest unaudited figures for the year to February 1986 show profits up from the most recently published figure of £2,000 in 1984-85 to more than £200,000 pretax on turnover increased from £2,5m to nearly £2,5m. This cheering result might easily affect Minimetal's creditworthiness, but could only be discovered if a

petential supplier telephoned the chairman. The measage here is that credit agencies are convenient and fast, but initiative is needed to get really up to date information. To be fair to the agencies, the exercise itself has its own shortcomings. For one thing. the exercise lists has its own the shortcomings. For one thing, it is unreasonable to expect all their reports to be the same since they all set themselves slightly different

selves slightly different targets.
For another, the prices quoted in the accompanying summaries of the ageucies work are only for one-off-inquiries. Most credit agency users are regular subscribers who get discounts of anything from 25 per cent at CCN Systems to 50 per cent or more at Dun & Bradstreet. It is also worth hearing in mind

that in these public circumstances, the agencies might well have tried harder than

Further information from: Dun & Bradstreet, 26-32 Clifton Street, London EC2P 2LY; CCN Systems, Bridgewater Place, Manchester, M60 4AA; Jordan & Sons, Jordan House, Brunswick Place, London N1 6EE; Credit Ratings, 51 City Road, London EC1Y 1AY; Infocheck, 28 Scrutton Street, London EC2A 4RQ; Trade and Commercial Credit Corporation, 17 Casson Street, London E1 5LA; UAPT Infolink, Coombe Cross, 2/4 South End, Croydon.

MINIMETAL Ltd should not be INFOLINK, run by the United trusted with more than fil4.400 Association for the Protection trade credit, suggests Credit of Trade, provides a straight-Ratings, a subsidiary of ICC Information Group. For £15, Credit Ratings pro-

ment up to the reader. It is however, the only agency to point out that Mini-metal Ltd has been the subject of six finance company searches in the last three years (two in Jamary). This suggests that tha company has at least until recently been a marginal price range. This shows, for instance, that Minimetal Ltd enough proposition to warrant close monitoring by other borrows more than its competitors, but is still above average group it comes to generating group in the sample to include reference from a supplier—.

a reference from a supplier—favourable — and examine directors' individual credit-worthiness, from which it concludes that nothing can be held against them. All this, plus a copy of the latest published accounts for accounts: for a reasonable £11.75 for delivery in eight days. If the report is needed within two days, it goes up to £58.75; well out of line with the rest

His elevation makes him the spokesman for 50,000 small bisinessmen, representing the largest and possibly most vociferous lobby group of its kind in Britain. Prime, an amateur hirdwatcher and painter who runs a £120,000 annual turnover retirement home near Lowestoft, replaces Bernard Juby, who has beld the post for three years, the maximum allowed under federation rules. If Juby leaves the chairman If Juby leaves the chairman-ship with a reputation for being-sometimes outspoken, the burly Prime is unlikely to be very different. Like most lobby groups, the federation's policies are decided by committee, but as a former chairman of the group's policy-making board, Prime will no doubt continue to put his stamp on the organi-

to put his stamp on the organi-sation's opinions. Since a large number of his nembers are shopkeepers, he is not unnaturally concerned with multiple retail chains' buy-ing policies, "We are faced with an obnazious situation of discretionary discounts which are discriminating against small retailers," complains Prime, He claims that a growing number of consumer goods manufac-turers are making up for the bulk discounts requested by their big supermarket customars by increasing the prices they charge to small and powerless shopkeepers. The federation plans to produce a paper within

the next month outlining the scale of the problem and suggesting solutions. Prime is also angered by pro-posals in the Government's Social Security White Paper last December to replace family income supplement with a so-called family credit to be paid through wage packets. This, he argues, "will create a tremendous extra burden for small businessmen."

Another issue dear to Prime's heart is the fact that businesses have to pay tax on profits that are retained for expansion. Such retentions should be tax-free, he argues. "It it unfair that there are plenty of schemes which allow grants for expansion, but small businesses which expand with their own money are penalised."

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Not to Barre

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EK4 :

and Commercial Credit Corpora-

tion, a small independent credit analyst, is the best of the bunch

Commercial supplies a 19-page

improving thanks to recent management and procedural

changes. However, Trade and Commer-

metal Holdings.



to be only roughly compar-

## infocheck

THE contribution from Trade DUN & Bradstreet, Britain's largest credit reporting agency, provides the most thorough analyst, is the best of the bunch report after tha much pricier—and so it should be at £45.50.

For that price, Trode and mercial Credit Corporation.

For that price, Trode and The D&B report itself might analysis of the previous four years' accounts, forecasts, backseem a little expensive at £30 (regular subscribers pay iess ground on mechanical engineer-than half that) yet it includes ing, plus a wodge of financial several useful nuggets overreports and lists of shareholders. looked by the rest. For a start, But the most important feature it is the only agency to list of the Trade and Commercial individual directors jobs, major report is that it outlines in detail the relationship between Minicustomers and to give details of Minimetal Ltd's recent export successes in China and South metal Ltd and its more credit-worthy holding company, Mini- America.

Moreover, D&B is the only Taken on its own, Minimetal
Ltd looks superficially as if it
could collapse in two years,
warns the report. Its credit
management is slack; cash flow
is inadequate, but profitability is
improving thanks to recent
moreover, Daes is the only
agency to pin its name to a precise sales and profits forecast for
Minimetal Ltd actually did
much better than Daes's projection of profits up from £3,000
improving thanks to recent from £2.5m to £3.1m, but at least the direction was right.

Minimetal Ltd achieves cial believes Minimetal Ltd achieves likely to be of some to anxious suppliers. should be given the benefit of sible top 100, D & B suggests the doubt, Good for £90,000, it that it can be trusted with suggests, so long as it can produce a promise of support from the holding group.

Minimetal Ltd achieves likely to be of some to anxious suppliers.

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Its two-page report costs from £9 to £15 depending on whether it is delivered in four hours or three days and warns that Minimetal's account needs supervision. Gnarantees should be obtained from the bolding group — which is not covered by the report— for larger credits, says Infocheck.

assets, improved profitability, but debts up from 81 per cent to 152 per cent of sharebolders' funds in the year to February 1985. Infocheck fails to mention the name of Minimetal's dynamic chief executive, a well known figure in the sector, likely to be of some comfort to anxious suppliers.

recent annual returns and accounts.

Jordan's more basic financial database print-out is better value at £9, which huys a list of directors and summaries of the past three years' accounts.

Normally, business customers can expect to receive reports within two days, which is fast for the price.

INFOCHECK, one of the JORDANS does not claim to smaller agencies, cautiously provide a credit checking sersuggests a £25,000 credit limit vice since as a company information group it prides itself on supplying accurate objective data rather than subjective

Even so, its £13.50 standard business search report looks thin compared with what is available for a similar price elsewhere. Apart from names and addresses of directors, its arger credits, says Infocheck. most useful points include a The agency gives a basic but figure for Minimetal Ltd's ertinent financial analysis, secured indebtedness (£95,786) ven if, like the rest of the and a mention of the fact that pertinent financial analysis, secured indebtedness (£95,786) even if, like the rest of the and a mention of the fact that sample, it is based on information a year out of date. Among the points it highlights are a £4.50 buys a copy of the most more than doubling in net recent annual returns and assets improved profitchility.

database print-out is better came from, value at £9, which huys a list

GUARDIAN Business Informa-tion, a division of CCN Systems, warns that while Minimetal Ltd is trustworthy, its account "may require strict management if prompt payments are required."

Its three-page report, costing vides a three-page report, the £13.50, points out that some most useful feature of which suppliers have reported delays is a list of Minimetal Ltd's in settlemants of accounts, credit ratios compared with Guardian does not commit it- averages for its sector, a service settlemants of accounts. credit ratios compared with Guardian does not commit itself to a set credit limit, beyond suggesting that "transactions to low five figures are within scale of trading."

Apart from that, the report gives more customer credit and contains little that any individual could not discover for tors, but is still above average bimself from the Registrar of companies, though to be fair cash. Pay another £15 and contains the report maker Credit Ratings another £35. to Guardian the report makes Credit Ratings supplies a simi-this clear by showing promi-nently where its information pany, which it reckons can be

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Tel: 031-557 2111 or Telex: 727575. Closing date for offers

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#### **TECHNOLOGY**

Peter Marsh on how Aer Lingus has diversified into automation

## Set for a change of flight path

ROBOTS could soon become as head of European operations common place in furniture for the robot division of Cincinfactories, according to the plans of Altek, a small automation company. company in Cambridge.

Altak, a subsidiary of Aer total of 18 years with the US ingus, the Irisb airline, bas concern, says that application of glues appears particularly promising for robots. set its sights oo companies io woodworking, pharmaceuticals and electronics as potential purchasers of its systems.

The company is particularly keen on selling robot systems to place components on printed circuit boards in the electronics industry. The world market for such equipment is put at about fibn annually.

Another sales area identified

by the company concerns whet Mr Mike Skidmore, Altek's managing director, calls "precision processing."

Examples include glueing to-

gether items in iodustries such as furniture, toys and sboes; the application of liquid seelants in the engineering industry; and, in the pharmaceuticals business, filling up containers with carefully moni-tored quantities of liquid.

Aer Lingus decided to set up Altek as part of a move to

diversify into other areas be-sides air transport. The Dublin-besed company recruited Mr Skidmore last year from his joh

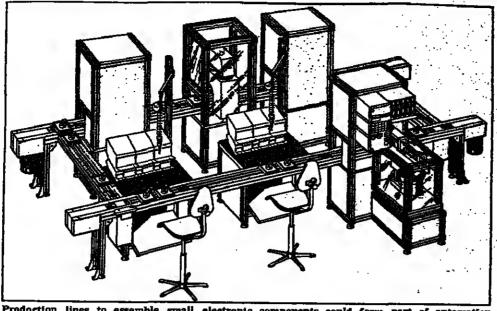
Frequently, industries which fix items together in this way require the objects to be beld in position to extremely tight tolerances. The glue coated onto the items has to be applied out of the coated country closely controlled quantities. io tiny, closely controlled quan-tities. Such jobs, says Mr Skid-more, are often simply too diffi-cult for bumans.

Rather than develop its own robots for these tasks-and for the similarly highly precise business of assembling electronic components—Altek bas turned to overseas suppliers.

It plans to sell systems based on robots mede by Seiko and Panasonic, two Japanese com-panies. The robots are capable of very finely controlled move-ments. The Seiko machine can place an electronic component on a board with an accuracy of a few millionths of a metre.

Altek has concluded another deal with Boscb under which the West German company will

David Oliver, marketing manager, with bottles which have undergone the Vapocure process



Prodoction lines to essemble small electronic components could form part of automation systems sold by Altek of Cambridge

The Cambridge concern aims to sell autometion systems costing anywhere between £20,000 and £150,000. Of this

figure about 70 per cent would represent the cost of the equipment made by Seiko, Panasonic and Bosch, with the rest accounted for by software and systems engineering.

Altek bas already sold equip-ment for electronics assembly

to Plessey and AMP, which makes computer terminals. It is talking to the Furniture Industry Research Association

of other equipment—transfar systems to glue together bits of machines for example—which feed items to the robots.

The UK market for robot

assembly systems in electronics is put et about £2m yearly, and is growing rapidly. British competitors in this business include Thorn EMI, Rediffusion and VS Engineering (which is owned by Asea of Sweden). Worldwide, selling robots for electronics assembly is dominated by companies such as Sony and Mitsubishi of Japan and Adept and Pentel of the US.

Altek, with a staff of 15, has Altek, with a staff of 15, has as an area of long-term growth relatively small ambitions. It potential. It already owns hopes to achieve snnual sales of 55m within five years. Mr

BY GEOFFREY CHARLISH

GLASS COATING technology

which involves no heat, allows bottle weight to be reduced without loss of strength and permits a wide range of colours and finishes has been devel-oped by Australian company

The coating is also said to be scuff resistant and to minimise fragmentation and dispersion in

Formulations are not dis-closed but after a pre-treatment and dry-off stage, glass con-tainers are sprayed with the coating material which can also

contain a pigment. They pass to a chamber where a catalyst

the event of breakage,

**Bottle production** 

of a different hue

that only by choosing realistic targets and limiting the market areas to be tackled can automation companies bope to succeed commercially.

In recent years, the automain recent years, the antoma-tion industry has expanded, relatively slowly, with suppliers in the business suffering poor results, at least partly because of the larga number of com-panies offering similar products. In setting up Altek, Aer Lingus demonstrated that it sees manufacturing automation

Yet all of these technologies are software led, whether simply the older ones of audiovisual media or their newer electronic counterparts in information technology. And

For the diligent businessman departing on e mission to departing on a mission to China; the scientist wanting video material of satellite weather patterns; the urban planner researching new environmental problems, such subjects are extensively covered on film or video, and there are literally hypothesis of

Recognising this fundamental problem the British Universi-ties Film and Video Council permeates the wet film, causing rapid polymerisation. A post-curing chamber completes the published in 1983 a catalogue of catalogues. The third edition just issued — The BUFVC Distributors Index—now lists 470 sources under 97 subject in the state of So now, glass container manufacturers need produce clear (flint) glass only and then apply a wide range of colours and finishes at the cold end of the process. This eliminates costly furnace sbutdowns to change the glass colour. The system is protected by international patents and the

## Good reconnaissance is key to learning from the screen

IN ANY process of communication—films, television, lectures, elude me, although I am sure written articles—there is one almost immutabla law recognised by the best professionals. It says something like "success index are denied the essential index are denied the essential index are denied the essential number for finding the second index on Channel Four which carries information specific to that channel, all management wisdom—the army manual — says, "time spent on recomnaissance is seldom time wasted."

Those who try to live by this philosophy have always sufised by the best professionals. It says something like "success is directly proportional to the amount of time spent on research." Or, as the font of all management wisdom—the army manual — says. "time spent on reconnaissance is seldom time wasted."

philosophy have always suffered, bewever, two problems. Knowing where to look for information. And finding ways of eccessing it quickly and efficiently.

The arrival of video and tha microcomputer have promised a solution to the second problem and with the marriage of the two in interactive video systems, the potential is stag-

finding the software, films or programmes—knowing where programmes—knowing where to look for them—is still a headache,

there are literally hundreds of specialist catalogues available to signpost the way. But how do you find the catalogues?

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elling technology

such is the intention with cable television, Britain's white bope of information technology—still struggling with a mere 127.481 subscribers, yet offering channels devoted to children, the arts, sport, so-called "lifestyle" (health, to hobbies), even for some viewers programmes from Italy, France, Belgium and Swit-

zerland.

Meanwhile, the BBC continues its gallant efforts in keeping the English language alive

### Video & Film

BY JOHN CHITTOCK

in foreign countries, announc-ing last month its new pro-grammes in the continuing BBC English project. This language teaching scheme embraces not only radio and TV, but video programmes and multi-media packages—including a course (jointly with The Economist) on financial English.

There are, however, some There are, however, some users of information technology who cannot read, listen, or see. As long as they bave at least one facility of the senses, belp is available—such as audio-cassettes for the blind, TV-enhancement systems for the partly-sighted (to provide magnifection of small part to assistance. nification of small print to assist in reading) and of course tele-

of catalogues. The third edition just issued — The BUFVC Distributors Index—now lists 470 sources under 97 subject headings (including China, meteorology and environmental studies). The Council also operates a viewdata system for accessing specific films or programmes, which was undefeated when I once challenged it to find material on corneal graft surgery.

The old-fashioned skills of the indexer can make or break such systems, however, as any one who uses Ceefax and or users with low literacy bitter it systems. But when it comes to making films, no branch of the American armed forces could match the quality of output the British have achieved over the British have achieved over the manner of the Madicapped and Aged Beneating from Information Technology (HABIT), it is providing browness in production. The action systems but when it comes to making films, no branch of the American armed forces could match the quality of output the British have achieved over the British have ach

mainly about local welfare facilities, even an interactive ticket ordering and library book

The good news is

words without pictures on a television screen do have their shortcomings in this visual age, and the college where HABIT is based—Bulmershe in Reading—happens to be one of a number selected for a new interactive video project in schools. Also funded by the Department of Trade and Industry, this is exploring ways of utilising interactive video within the school carriculum. curriculum.

active video within the school curriculum.

The possibilities are considerable, stimulated by the forthcoming BBC Domesday book on video discs, which in turn has encouraged Philips—in their recent annual report—to anticipate the sale of 10,000 Laservision systems to UK educational establishments.

The Interactive Video in Schools Project has selected seven schemes through which will be produced a basic portfolio of video discs for use and evaluation in education. In subjects they range from a geography project at Longhborough University to a teacher training package being produced at Moray House in Edinburgh.

It is perhaps ironical that the

It is perhaps frontial that the andience for these programmes may well exceed in number the 127,000 subscribers to cable TV in Britain, raising again a question mark over the nation's strategy in information technology. The British have always excelled in programme production, especially with factual and specialist material, but the Americans — and more recently the French—seem better in distribution and exploitation. tribution and exploitation.

ribution and exploitation. The army could again teach decision-makers a thing or two in this situation. Much of the pioneering in using interactive video has occurred in the US army, which recently revealed a five-year plan to install 17,800 systems. But when it comes to making films, no branch of the American armed forces could match the quality of output the British have achieved over the past 50 years.

Faced with dilemmas about investment in the future,

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# Home thoughts from painters abroad

temporary Spanish painting and sculpture that have opened in London and Oxford are fruits of separate initiatives by the galleries concerned hut are so directly complementary that to see the one is at least to feel the need to see the other,

Pobles Figuras, at the Museum of Modern Art in Oxford (until May 18), gives a limited retrospective opportunity to two senior painters, Antonio Saura and Eduardo Arroyo, with two municar maintars. Historia Par and Equation Altoyo, with two younger painters. Mignel Barcejo and José Marié Sicilia, showing only their more recent work. All four live and work abroad, young and old pointing the nice distinction between chicics and erile. choice and exile.

At the Serpentine Gallery in Kensington Gardens (antil May 11), the Arts Council is showing the work of three artists, each from a different city: two sculptors. Susana Salano from Barcelona and Miquel Navarro from Valencia, and Siellia again, the only painter and the link between the shows, to repre-sent Madrid.

Both exhibitions have been helped by the Spanish ministries of Culture and Foreign Affairs and the British Visiting Arts Unit, and both are spongard by the Spanish company. cored by the Spanish company, Quorum de Puig. In addition, the Oxford show's catalogue has been sponsored by the oil company Petromed. All in all, therefore, what with following so hard more the Art Coursely. so hard upon the Arts Council's own recent Homage to Barce-lona at the Hayward Gallery, and the coming state visit to.
Britain of the King and Queon
of Spain, there is to these
related exercises a decided
whiff of the official and the

TANK STANK

2 (d) adat (3.44 (5.57



A detail from Eduardo Arroyo's Noche Espanola

for that, for there is nothing likely to remain so for some of compromise in either exhibition. Both these shows are small, rigorously pared flown per security and assurance after and elegantly shown, the work some 40 years cultural and serious and hardly chosen to political Isolation from the court an easy popularity.

Spain is a special case and affairs. Four of the six artists live and obviously surrealist by

several of the other singers also had difficulty getting over the orchestra. Patricia. Johnson

ing Kabanicha, and she had an ideally downtrodden son Tichon

in William Cochran, Stephen

expainate, the two older men only now reforging their working links with home after their long equivocal absence in which they achieved their artistic maturity. Whether or not we make special allowance for the work, we can sympathise with the effort and intention behind the presentation. Sicilia has lately lived and worked in New York, Barcelo,

Arroyo and Saura in Paris, Solano and Kavarro in Spain and their work shown abroad. Taken individually, that work is as good and interesting as the case may be, serious and professional and engaged to the full with contemporary pre-occupations and sensibilities. But only by bringing their work to London and Oxford to declare themselves collectively as Spanish, do these artists force upon us the questions: why have we seen so little before; and when can we see more? Of the four painters, Arroyo and Saura, the one nearly 50, the other nearer 60, are the more directly Spanish in their imagery. With both of them, surrealism, which drew such a charge from Spain between the wars, lies close to the surface, but much tempered by other more recent influences. Arroyo's work is a knowing and elegant, often very funny vorsion of pop art, more British in its sympa-thles than American, full of art

celebrated together in these the late 1970s, by which time be shows as so essentially Spanish is reworking the fractured and are still, for whatever reason, weoping female heads and portraits of Picasso of his surreal expressionist period of the 1930s, hut with a freedom and expansive vigour that recalls not only Picasso's last great period in the 1960s but also Appel and Bubuffet

Both younger painters are expressionist, and though both are now working to keep their distance, both are closely identifiable with the New Wave of figurative expressionism. Bar-celo indeed onters a vocal discelo indeed oniers 2 wear dis-claimer, which is rather belied by the work itself. His huge canvasses, with their dense and thickly encrusted surfaces in sombre groys and othres carry their images of beached boats.
figures on the shore and views high across the bay with a curious wry charm and finesse, curious wry charm and finesse, the lugubrions Poet's Dog in its kennel high above o winter sea entirely characteristic. As for Sicilia, at Oxford he shows his more recent work which is multipanelled, asymmetric and its clearly moving towards obstraction. His work at the Serpentine, large canvasses of roofscape and rudimentary stillife places him more firmly with life places him more firmly with his own generation.

his own generation.

Of the sculptors, Navarro shows a single work, The City, an installation of discrete and dispersed elements that might be a maquette for an ideal city. which takes up one gallery to itself and is more interesting than convincing. Much more impressive is the work of Susana Solane which, though so simple in its physical statement—bare, stepped shapes and blocks of beaten and welded iron—has an authentic monuhistorical jokes and side-long glances, now to Magritte, now to Kitaj, Caulfield, early Hockney, yet never dependent on any of mental presence, that intrigues the imagination and stays in the

#### Bolshoy Ballet/Vienna State Opera

#### Clement Crisp

doing," I asked my distin-guished colleague and friend, Mary Clarke, "sitting in the Vienna State Opera House at Day, watching Raymonda?" Enjoying ourselves," was the succeed and wholly true reply, for there is little more exhilarating than the sight of the Bolshoy's dancers moving with splended panache through the ratings established by Petipa and Giazunov, lately revised by Yury Grigorovich for his

Outside in the city the bells were ringing, the churches bright with their baroque gildbright with their baroque glid-ing and Easter-tide flowers. Inside the opera house the coborts of the Bolshoy Ballet were deployed in a work which suits them, I would hazard, as well as any other classic, since the boldness of their style and manner can fill out the nonsense of Raymonde's non-plot with a fine bravado, delying us not to believe in Hungarians in Pro-vence, Crusader heroes, Saracen villainy. (Thore is even the presence of King Andrew II of Hungary, best remembered for having bought, as sacred relies, the wine jars used at the Wedding at Canaa).

Raymonda's third act was followed by a divertissement of familiar gala numbers: o Cor-soire duet brought mechanical complacency from Nadezhda Paviova, though Andris Liepa was a hrilliant slave at her feet; the big waltz from Les Sylphide. united Tatians Golikova and Mikhail Gabovich; Spring Waters surged impetuously over us with Marina Nudzha caught in the stalwart arms of Mikhail

"What on earth are wo and well done by Yelena Rad- cal sensitivity—was conducted oing," I asked my distin- chenko and Alexander Valuyev, by Alexander Lavreniuk, Ballet-ulshed colleague and friend, while Mikhail Zivin brought off goers remembering that name a spiendidly controlled and may care to know that on his heroic account of Solor's varia- retirement from dancing Lav-11 in the morning on Easter thon from Bayadere's Shades remink took up a conducting

introduced an exceptional young introduced an exceptional young (just 20 years old) male virtuoso. Vladimir Lyakin. Fineboned, slendor, ho is a teacher's pet of an artist, curting every step cleanly, hlessed with lightness, elovation, and that academic purity which dancers strive for hut rarely achieve. In this prodictable Fille variations he showed a hnowancy, a physical sweet-

a hnoyancy, a physical sweet-ness of manner, that were of great charm, and that he is capable of much more was seen on the next day in The Golden Age when, as a sailor, ho raced over the stage like an Olympic champion.

Raymonda's combination of

national dance classicised and classic dance given a tint of nationalism is irresistibly dono nationalism is irresistibly dono
by the Bolshoy, By Alla Mikhalchenko as an elegant heroino
(with no vulgar hand-claps in
her solo); by Andris Liepa (son
of Maris Liepa) as a powerfully
virtuosic Jean de Brienne; and
by a group of soloists to whom
retired describes are adolested. national dancing is a grand challenge and classic dance the very grain of their art. They speak both languages easily, nobly, with Agnessa Baliyeva a won-derful leader of the Hungarian Dance, and four young lions among the men to rejoice in every demand of the celebrated male quartet. I must note in passing that the ringing account Sharkin; the Arab Dance from of the score—how esential the Nuteracher (Hindu in Grigorovich'a version) is the best realisation of the music that I know, of the dancers' vigour and music

Two items, though, merited vienna of sterling vitality and special attention. In a duet from Gorsky's recension of La Fille mot gordes the

with Lyudmila Semenyaka's account of The Dying Suan. Beantiful in resiraint of means and decorum, this dance which some Soviet ballerinas have turned into a wrestling bout with an unplucked turkey. the stage a maelsfrom of feathers and ffailing limbs acquired again its lyrie simplicity and intensity of poetry.

The morning ended with the second act of Spartacus, boiling with triumphant slaves, rebellion, Roman orgy, and that emotional abandon which guides movement and mood. Yury Vasiuchenko was a sound, credible Spartacus; Bessmertnova the supreme em-bodiment of Phrygia's devotion (Bessmertnova is the perfect Grigorovich heroine, never more so than as the Rita of The Golden Age in which her thrillingly expressive physique ls both witty and lyrically pure); and Nina Semizorova has assumed the guile and glamonr of Aegina, a role she draws with a culling edge of technical prowess. The Crassus, Alexey Lazarev, I though! lacking in the arrogaot physicality so necessary for the role. For the legions of slaves and the Roman bean monde, the Bolshoy's interpretations retain that vehement onergy which impels our belief and identification with the drama. Therein lies the greamess of the Bolshoy style: its passion to communicato as well as to

#### Kátya Kabanová/Berlin

#### Richard Fairman

Not many operas can survive when she is alone, we find her on a few drapes and a bare ex- locked in a prison of darkness, panse of stage. But the works feeling her way along the walls of Janacek have so strong a for a means of excape, backbone of human drama that — To all this Karan Armstrong it is quite possible for a per-formance to strip away the voss energy. She is, perhips, usual trappings of an opera too strongly-driven and positive house setting and still succeed, in her reactions to make an ac long as it is true to that ideal Kaiya-it was the very emotional core.

emotional core.

For this new production of drew Janicek to the story in the Kning Robonovic. The Berlin first place on a woman team of Ginter Kraner and diver to breaking-point her portrayal came across and designer, have done just that They have put the opera firmly and wiffient spoilegy in the world of the modern straight theatre, served by sets of an often brutal simplicity. Apart from the end of the second act, when they suffuse the stage with the blue latter of a startit night for the love duets, was the most successful as a the poetry is left to the music and they keep their minds on

To sharpen our focus the stage is, in effect, divided. While the townspeople, a severe and formally-dressed crowd. Algie was a vocally ungainly Boris; hot Ruthild Engert and William Pall were lively as the and formally-dressed crowd, keep up an ever-watchful presence at the back, peering through gauze curfains or through gauze curfains or drawn than in ENO's highly-frosted glass, the nearest area is reserved for Katya alone, In through gauze curtains or frosted glass, the nearest area is reserved for Katya alone, In the opening bars she is caught in the glare of a floodlight that cuts across the stage and from there to the end of the operanobody else is anowed to divert

## Florakören, Brahe Djäknar/St John's, Smith Square

#### Paul Driver

The male chorus Brahe sion was of a sensible and dili-Diaknar and female chorus gent ensemble of singers rather Fforakoren, which consist of than of anything mera searing university students from Abo or distinguished. The conductor Akademi in Finland, have been touring northern Europe under their conductor, the composer Gottfrid Gräsbeck, and on Saturday night pald a visit to St John's, Smith Square, They divided their programme into five sections, and went through

mital, made 2 fitting slightly tepid: Niels Gade's mard, perhaps his a Morgensung. Oskar Lindberg's came over luguhriou makes heavy work of the Pingst, and Grieg's beautiful did the two movements. She makes heavy work of the Pingst, and Grieg's beautiful did the two movements offered vide the evening work withing at times, but then Ave Maris Stella. The impress of Finnish doyen, Erik Bergs moving moments.

or distinguished. The conductor had the irritating habit of banging out tuning notes on the piano before each piece, which generated the atmosphere of a rehearsaL

In the next group, Bruckner's Are Maria fared quite well, and Are Maria fared quite well, and a moderately extended Amen setting by the Polish composer Gorecki proved adventurous and absorbing. In the third group-given over to male choruse the choristers to undue the choristers to undue chorus—Britten's Ballad of passion and even sounded Little Musgrove and Lady Barnard, perhaps his worst piece, margensung. Oskar Lindberg's came over luguhriously, and so Pingst, and Grieg's beautiful date two movements offered and the two movements offered and the two movements of finnish doven. Erik Berg-

illness of the bass soloist) I wasn't sorry to forgo. But satisfactions came from an impassioned Pushkin setting hy Chaikovsky, Who has stilled the voice of mirth?, of which this spirited rendering may have been the British première, and from Grasbeck's arrangement of the Sakkijarven Polka, com-plete with trumpet obbligato. The ladies alone gave one of Verdi's Four Sacred Pleces and some delicate, highly unfamiliar miniatures. When the full choir reassembled, it was to perform Sibelius's three Rakastora settings and thus to pro-

#### **Andrew Clements** opening statement underpinned in the fourth-emerging in a

Annie Fischer/Elizabeth Hall

Miss Fischer's most recent visits to London have concentrated upon Beethoven, including o most memorable series of concerts devoted to the composer in 1984. On Sunday extrapolation of the same sound world, the keyboard coloration afternoon, however, Beethoven was only the beginning of her programme, which thereafter took her into the heights of mellow rather than brightly painted, the emphasis on the thematic integration of the the romantic repertory with Schumann's Kreisleriana and Liszt's B minor Sonata. Her virtues have been hymned persistently on this page in recent years, and on this occasion one found them quertly demon-strated in Beethoven's Op. 27

no. I sonata and then tested more combatively in the works that followed. The Beethoven was not, in entirely settled; the scherzo each number was absolutely lng and comprehensivo view to swirled and bumped a little, natural, the poetic ideas—a a work that so easily encourages only gained its poise when the rapt ending to No 2, eloquently high-octane hrilliance for its slow movement was reached, its savoured low-register harmonies own sake.

with slightly brittle left-hand pedals, and the finale exploded context that was never artificial nor stage-managed. with exuberance that seemed only just to be confined. Kreisleriana then omerged as an The warm tono that spread through Schumann brought 10

the Liszt sonata a richness of texture which cut more common conception of the work that favours tense, lean drama, and stark dynamic conthematic Integration of the drama, and stark dynamic convert taking precedence over its growth its growth taking precedence over its growth is growth its growth its growth its growth is growth its fectly assessed, its sense and the lyrical passages, the direction unfaltering. Every delicately spread chords at the element is fitted exactly into end of the second section, and place, so that in Kriesieriana the closing bars of the sonata, for instance the structure of to yield an unusually satisfy-

#### Dorati's Beethoven/Festival Hall

#### Dominic Gill

William Pell were lively as the secondary pair, Varvara and Kndrjan. The relationships were often more naturally the Ninth Symphony. In my experience, Dorati is by and prising, from the orchestral point of viow, about either portraised revival earlier in the season.

The conductor was Jiri Kout, who led the orchestra into some full-blown tuttis, horns to the fore, all a bit much for the aingers. But fired it was not for the season but the innition that the was not for the innition that the evening had its afternoof to the season.

The conductor was Jiri Kout, who led the orchestra into some full-blown tuttis, horns to the fore, all a bit much for the aingers. But fired it was not for the season but the season that the innition to the first the evening had the season.

The conductor was Jiri Kout, who led the orchestra into some full-blown tuttis, horns to the fore, all a bit much for the latest the evening had the secondary pair, varvara and the kept them there from his concerto were illuminated by a wonderful conciseness and onergy on nearly exceptionally original or survey page. There was nothing exceptionally original or survey point of viow, about either porformance: but Dorati had the RPO, playing at the very peak of their form, on the tip of his interpreter whose performances beaton throughout the evening, or the first to last. cycle with the Royal Philhar.—the seventh symphony and monic Orchestra finishes to the first piano concerto were

Antal Dorate's Beethoven - the penultimate of the cycle proposition-confrontation and

contrast between laconic, almost poker-faced delivery and sud den visions melting, irresistible lyrical warmth. The finale was full of quick sleight of hand, not sly hut quirky, mixed with a joyful radiance that embraced warms bettern of the theme. every return of the theme. It was not an electrifying

seventh symphony, which Dorati conducted, or even one of the highest drama; but he brought such a bloom to the PRO's attention from her.

The production sims to explore the pressures on Katya. Its strength Bs greatest impact and detail. At the end of the first act, when Tichon leaves her to mother-in-law, she is made to change her simple white dress for the regulation black smock, and head-covering. And later,

#### Crosse's new trio/Wigmore Hall

#### David Murray

Gordon Crosse's new Piano Trio was commissioned by the young, all-female Hartley Trio with Arts Council funds, and premièred on Friday as the centrepiece of a Hartley concert. Crosse has not been much in the public (or even the specialist) ear of late, but the new Trio shows that his recent cupations are still present

and alive.

Its two movements, overtly related and in effect continuous, extend Crosse's interest in building music from ostinato material, basic phrases piled up in different sizes and colours. The ball-like medale colours. The bell-like pedals of the first movement, and its variously repetitive superstruc-

an oarthy drive toward short, sharp climaxes. As it proceeds, the Rondo echoes more and more the modal shapes and

parison, as if they were striving was mild, slow-moving and toward ideally respectable per-

ture, reach hack as far as his formances without actually Changes. Bartok, who has sur- listening to oach other. In faced in later Crosse music, Dvorák's B-flat Trio nothing was presides benevolently over the out of line, but the fraternal Rondo: added-step rhythms, and good cheer of the music was compromised by o stiff, over-bearing plano—the strings were reduced to the status of wanty more the modal shapes and longer annorities of the first a little better in Beehoven's movement, and comes to rest among them.

The modal shapes and pleading partners. Balance was a little better in Beehoven's "Archduke" Trio, but no passage suggested that the The Trio requires a keen feel-ing of on-the-spot investigation, near ready to measure the exof experiments conducted with passive scale of the work. Its alert ears. The Hartley team stately drama presupposes a rose to that loyally; their other kind of grandeur in the main pleces sounded hland by competitives; the Hartley version

#### NOTICE OF REDEMPTION Hydro-Quebec U.S. \$25,000,000

fotice is hereby given that Hydro-Quebuc has elected to redown all of its outstanding 51%. Inking Fund Debentures, Series BW Due Newsahler 15, 1968 (the "Debentures") on Ray 15, 196, at the Redemption Price of 190% of their principal amount, together with accrued

interest to mach date.

On May 15, most, the Redempition Frice will become discussed all Debentures, and interest thereon shall cause to accrue on and after said date. All Debentures, together with all compons appertaining thereto maturing after May 15, 1966, are to be surrendered for payment of the Bedempition Price at the Corporate Trust Office of Bank of Montreal Campainy in the Berough of Manketten, City and State of New York, United States of America or at the offices of the following Paying Agents: Bank of Montreal (Son Office) in Montreal, Canada, Bank of Holtreal in London, England, K. G. Warburg & Ca. Limited in Montreal, Canada, England, Kredisthank N. V. in Brunsels, Belgium, thomain offices of Cammarabank London, England, Kredisthank N. V. in Brunsels, Belgium, thomain offices of Cammarabank Aktionguellachaft and Westdoutsche Landeshank Grunsentrale in Dunseldorf, Federal Aktionguellachaft and Westdoutsche Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Commarabank Aktionguellachaft in Frankfurt, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in Landeshank Grunsentrale in Dunseldorf, Federal Republic of Germany, Rredistbank S.A. Lexembourgeouse in L

Rydro-Quebec A. Dubuc Vice President & Trapsurer

#### April 8, 1986





## Arts Guide

Music/Monday. Opera and Bellet/Tuesday. Theatre/ Wednesday. Exhibitions/Thursday. A selective guide to Thursday. A selective guide to all the Arts appears each Friday.

#### **Opera and Ballet**

Protofiev's War and Peace produced by the National Opera from Sofia, Thetire Des Champs Elysées (47234777).
Traviate alternates with Soirée
Paris Opera

Maurice Bejart at the Paris Opera Maurice Bejart at the Paris Opera Ravel's L'Heure Espagnole, a one-act musical comedy full of Spanish rhythm, is completed by Puccini's Gianni Schiechi, a one-act opera full of verve and humour. Opera Com-lum (2008) loue (42960611)
isnical Julius choreographed by Ushio
Amagatsu, creates a shock with often disturbing and cruel images of

the Buto dance. Théâtre de la Ville

#### BRUSSELS

Cirque Royale: The Merry Widow conchested by Christoph won Dolmanyi with Anje Silja, soprano. (2182015)

Royal Opera, Covent Garden: Rossini's Semiramide, in a concert perfor-mance conducted by Henry Lewis, joins the heavily criticised but po-tentially rewarding Fliegende Hollander and the solid looking re-

vival of Arabella in the repertory. (240 1068) Regists National Opera, Coliseum: Reginald Goodall's last perfor-mances of Parsifal in this run, otherwise an evening of dramatic disappointments. The Merry Widow continues to draw the crowds, now

## in a revised staging by Ian Judge, while there is a return of Elijah Moshinsky's exuberant Bartered

#### WEST GERMANY

Berlin, Deutsche Oper: Katja Kabano-wa has Karen Armstrong in the title we see search Armstrong in the title role. Bernd Akis Zimmermann's Die Soldaten, produced by Hans Neueniels, returns. Don Giovanni brings Cheryl Studer, Pilar Lorengar, Berbara Vogel and Lenus Carlson together. Macbeth has Thomas Fulton a contractory.

Fulton as guest conductor.

Hamburg, Staatsoper: Zar und Zimmermana is a well done repertoire
performance. Der fliegende
Holländer has Sophia Larson and
Robert Halesleads. This week's highlight is Manon Lescaut starring Natalia Troitakaja and Franco

Frankfurt, Opera: Don Pasquale has fine interpretations by Barbara Bonney as Norina and Bodo Schwanbeck in the title role. Der Freischütz, offered for the last time this season, has Walter Raffeiner, Bentrice Nicholf, Barbara Bonney and Manfred Schenk. La Bohen with Yoko Watanabe and Giacon Aragall is an event of more than

passing Interest Bayerische Staatsoper: Manon, a Jean Pierre-Ponnelle production, is perfectly cast with Edita Guberova and Alberto Cupido. Fi-delio features Sabine Hass, Julie Kaufmann, James King and Kurt Moll. Der fliegende Hollander has

bert Schank in the title role beside Astrid Varnay and Lisbeth

#### **NETHERLANDS**

erlands Opera with the Italian sec-tion of the CIVIL warS by Philip Glass and Robert Wilson, directed by Robert Wilson. The Netherlands Philharmonic under Lucas Vis, and the Netherlands Chamber Choir conducted by Siebe Riedstra. (242311)

#### TTALY

Milano: Teatro Alla Scala: Slighdy sleepy production of Bellini's La Somnambula, conducted by Gianandrea Gavazzeni and directed by the film director, Ermanno Olmi Tre young American soprano June Anyoung American soprano June Anderson makes a successful Scala debut as Amina and Patricia Pace is a splendid Lisa. Susan Lake, directed by Franco Zeffirelli, with choroography by Bosella Hightower. Michel Sasson conducts and the cast includes Carle Franci, Dominique Kimfernia and Khalfouni and Jean Charles Gil.

ne: Teatro dell'Opera: Herodiade by Jules Massenet conducted by Gianluigi Gelmetti and directed by Alberto Fassini with a cast which in ciudes Agues Baltsa, Montserrat Ca-ballé, José Carreras and Juan Pons. (46 17 55)

Trieste: Teatro Comunale Ginseppe Verdi: Un Ballo in Maschera, direct-ed by Alberto Fassini with Adriana

#### Morelli, Stella Silva and Carlo Cossutta (63 1945) **NEW YORK**

April 4-10

Metropolitan Opera (Opera House) The week features the first seasona performance of Parsifel conducte by James Levine with Leonic Bysanek and Peter Hofmann, join Rysanek and Peter Hofmann, joining the repertory of Don Carlo with Mara Zampieri; Aida conducted by James Levine with Anna Tomowa-Sintow and Luciano Pavarotti; Sir Peter Hall's production of Carmen also conducted by James Levine with Maria Ewing in the title role, Catherine Malittano as Micaela and Maria Dominana Bon Josés and Placido Domingo as Don José; and the last performance of the season of Der Rosenkavalier with Tatiana

Joffrey Ballet /(NY State Theater): The spring season includes two full-evening performances, Romeo and Juliet and The Taming of the Shrew four one act premieres and 14 repertory favorites including Of-fenbach in the Underworld, Forgotten Land, and Rodeo. Ends April 20. (870 5570)

Troyanos, Lincoln Center (3626000)

#### WASHINGTON

American Bellet Theatre (Opera House): National tour includes from the company repertory Don Qui-xote, Romeo and Juliet, Giselle and The Nutcracker, Ends April 20, Kennedy Center (254 3770)

#### Saleroom/Antony Thorncroft

## The dealers win again

lows the successful purchase hy limit of f12m a year. the British Museum of the Portland fout, made in gold in 1797 by Paul Storr to christen off-spring of the Dukes of Portland. It will go on view at the

Museum today.
Lady Anno Bentinck,
daughter of the sevenih Duke, sold the font, through Christie's, last June, and it was bought by Armitage for £950.400. Not surprisingly the Minister for the Arts placed a seven-months stop un an export heence for this rare and precious object. giving a British museum, or gal-lery, that amount of time to match the auction price, Thanks to a £900,000 contri-bution from the National Heri-

tage Memorial Fund the British Museum, which has an excellent collection of gold and silver objects, has been able to raise the money. But it has actually had to pay £1,275,000, the difference being the dealer's profit margin: presumably Armitage had an overseas buyer who was prepared to pay the higher

If the Portland family had sold the font to the British Museum through a private treaty sale the museum might have pald less, and the family received more, because of a tax advantago. Last year the Government announced improved arrangoments for the acceptance of works of art in

Once again taxpayers' money lieu of tax: important items are has gono to line the pockets of eligible for calls on the Public a London dealer, in this case Expenditure Reserve, up to an Armitage Antiques. This fel-

These new arrangements have just been called upon for the first time in the acquisition for the nation of the papers of the Dukos of Portland and of Now-castle, many of which deal with aspects of British foreign policy from the 17th to the 19th centuries. The papers will be placed in o public archive. So seems that the Porlland family have belatedly come round to the advantages of privato dealings, rather than the hit-and-miss experience of an auction sale.

Phillips held an auction of Victorian drawings and watercolours yesterday, currently one of the strongest saleroom markots. It totalled £143,110, with only 5 per cent unsold. Top price was a pastoral scene of a shepherd and his flock by Myles Burket Foster which beat its top estimate at £11,800, to Berkeley. A watercolour of an elf surrounded by flowers, by Eleanor Fortesque · Brickdalc. also beat ils top forecast at

£7,000, to Hartnol. Six comic drawings by Heath Rohinson went to Beetles for f1,600. They had been recently uncovered by a descendant of the artist in store, and affected by water staining. One dated 1917, roferring to the construction of the Channel Tunnel, sold

for £750,

Tuesday April 8 1986

# Prescription for Japan

next month's economic summit in Tokyo. It was the work of a commission appointed in October last year to examine, and suggest ways of correcting, the structurat reasons why Japan has such a large trade surplus with the rest of the

The hrief was imaginative. It seemed to address a pervasive Western hunch — that beyond Japanese industrial excellence, which the rest of the world has to accept, compete with and try to eojoy, and beyood simple protectionism, which must be identified and tackled, there is about the Japanese economy which makes it export-prone and import-shy, something in-trinsically unfair about Japan as a trading partner.

Unfortunately the brief, and the public huild-up to its results, have backfired. The Maekawa Commission took five mooths, 19 meetings and 14 drafting sessions to produce a report; the hard slog of the consensus building shows all too clearly. The report starts with dramatic assertions of Japan's need to make a "historical transformation in its traditional policles on economic manage-ment and in the nation's life-Japen has been forced into this ect of self-chastisement is dis-appointing. Many of the detailed recommendations are woolly and old-hat to anyone wbo has followed Japan'a gradual moves towards liberalisation" over the past

One problem with the report is its failure to deal edequately with micro-ecenomic reforms. It does not mention government procurement, one area where the Government can very visibly promote the cause of imports.
The commission does not examine the possibility that it is berd for an outsider to become a sub-contractor in Japan, nor that the "keiretsu" system of mutually supporting groups of Japenese companies is hard to penetrate. It makes vague assertions that the distri-bution system needs "streambut it does not say

the Japanese Prime Minister, esse savings—a move we have long urged. It says there should be tax breaks for bouse buyers and bouse builders, and that planka of his country's economic diplomacy in the run-up to working hours to give the land bouse worker less time to the same of the same in the same of the working hours to give the Japanese worker less time to produce and more time to

spend.

But here again the conserva tive pressures at work within the commission show through. The group accepts that the government's fiscal policy of aiming to eliminate the need to issue deficit-financing bonds is justified. But it does not tell the rest of the world why. It in pure communique-that the Government promote agricultural befitting an age of tionalisation." But it internationalisation." But it equally asserts that basic farm products should be exempt from a steedy increase in imports.

*Imprimatur* 

The Maekawa Report, therefore, fits squarely into the series of Japanese reports, action packages, emergency programmes and the high-level discussions that have gone before it. The problem of Japan's trade imbalance is readily admitted, but the soln-tions only creep into view both because Japan's, industry is so intrinsically competitive and because a long ingrained political consensus, way of economic life and bureaucratic attitude prove so hard to change. There are two more positive

points to be made about the findings of this commission. The internal dissent that has so clearly blunted its specific recommendations shows what vested interests Prime Minister Nakasone is up against as he tries to make his country aware the responsibilities that tend to come with economic success. If be can persuade his Cabinet to endorse it this report will give a political imprimatur to some emphetically steted ends, even if the means remain vague. The report will provide Japan's trading partners with a new fulcrum of atated aims on which to lever away at practices which seemed to belie them.

seemed to belie them.

Furthermore, the report implicitly endorses the move towards a more realistic yen exchange rate than has taken place since it was commissioned. A 25 per cent adjustment in Japan's competitive handicap means that its export industry is moving into unwhether or why this system might be part of the problem.

At the macro-economic level month's report and next the commission is more adventurous. It states flatly that the Government must remove the system mandicap means that its export industry is moving into uniform waters just as this flatly that the month's summit pass their judgments on the results of a cheap yen era born of expensive oil.

First shots in a costly farm war

By Andrew Gowers

administration's success

I foresee blood on

the floor for the

next year or so.

war for the short .9

We're in a subsidy

and medium term

curbing inflation undid the pre-vious decade's helter skelter

rise in land prices, thus signifi-cantly reducing the value of farm assets. At the same time,

the dollar strengthened and, coopled with the high supports in the farm bill, opened up a price nubrella under which

producers from other countries could expand.

Against this background the

1965 farm Act represents a big change of emphasis, "The significance of the 1985 farm bill was that most producers

Now, while export prices are

incomes will be sheltered by a

heavy programme of govern-ment deficiency payments,

FTER YEARS of threaten-Aing postures, US anxiety over its mounting farm trade problems have finally turned into action.

Last week's decision by the US to raise tariffs and quotas against some European farm exports in retaliation against exports in retailation against alleged restrictions on American sales in Europe since Spain and Portugal joined the community was but the latest example. The EEC, regarded by almost all US agricultural policymakers and farmers as the principal sources of their woes, responded by threatening another tit-for-tat retaliation.

Disputes are also simmering ahout a range of issues from wheat export subsidies to meat hygiene to citrus tariffs. In such cases the US—as part of its "fair trade" policy—is showing mounting reluctance to surrender markets where its position has been weakened as a result of distortions introduced by trading partners like the

Perhaps more seriously for rival agricultural exporters, though, the US is embarking this year on a fundamental change in its overall farm policy. Over the next few months, under the five-year Food Security Act (the "farm bill") passed last December, Washington will be making cuts of up to 30 per cent in the market prices of its key products in a bid to recapture lost sales. Combined with the recent fall in the dollar, these reductions seem all the more dramatic. New-season crops are already trading at a sizeable discount in the futures markets of Chicago.

The full implications of this policy shift are only now beginning to dawn on other exporters. For the EEC it means that the Community budget will be stretched further than ever in paying higher sub-sidies to hridge the gap hetween high EEC grain prices and the world level. The Europeans are already feeling the cutting edge of US export subsidies in the Middle East and north African markets.

"I forsee blood on the floor for the next year or so. We're in a subsidy wer for the short and medium term," says a State Department official. Exporters like

Argentina and Australia fear getting caught in the crossfire. Brazil faces stiffer competition for its soya bean sales. And for for its soya bean sales. And for third world producers of rice and cotton like Thailand and Pakistan, the effects will be just as serious; the US is giving itbill was that most producers and politicians accepted the need to drive prices lower if there is over production," says Mr Gena Moos, a leading congressional staffer on agricultural issues, "Before, there was an emphasis on trying to hold prices by limiting production." self virtually unlimited capacity to match their prices.

The origins of the current export drive—and of Washington's more aggressive stance over EEC trade barriers—are deeply rooted in domestic

With US agriculture now in With US agriculture now in the fourth year of a worsening slump, the Administration is pinning almost all its bopes for ment deficiency payments, increasing sharply.

In 1985 the Farm Credit were agricultural matchinery nearly 50 per cent more than the level of the past three years, lender to agriculture including nearly 50 per cent more than grain, rice, ollseed and cotton markets means only 60 in 1983. Of the 30 US banks that failed in 1985, 10 were agricultural.

For egricultural machinery manufacturers and other suppliers to farmers tha outlook is, if anything, even bleaker. The markets means only 60 in 1983. Of the 30 US banks that failed in 1985, 10 were agricultural.

For egricultural machinery manufacturers and other suppliers to farmers tha outlook is, if anything, even bleaker. The could banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three banks for farm co-operatives—taking sales from other protocular in the level of the past three ba

And although the Govern- In this sense, US farm policy is ment is sheltering its own farmers from the effects of lower world prices with record moving closer to something like the EEC's practice of two tier pricing—one price actually paid to farmers and a signific income support payments, this will not prevent thousands more cantly lower price for exports. of them going out of business this year, taking numerous banks and farm equipment What the programme will

clearly not do is allienate the problems of debt and excess capacity which afflicts the farm sector. Mr John Schnittker, a leading Washington consultant, says the new programme dealers with them. In 2 year when Congress faces mid-term polls and 22 Republican senators says the new programme "simply accepts and institu-tionalises existing financial them from key farm states, that can hardly be a heartening prospect for the Administration. strains." Today exports are much more important to US agriculture than they once were. In 1980, for example, exports made up 30 per cent of total US farm Although export volume will

pick up from this year, it is not expected to rise quickly enough to compensate for the drop in prices. The value of US farm sales will thus continue to

up 30 per cent of total US farm sales — double, the proportion only 10 years previously. Just as the farm boom of the 1970s was fnelled by high inflation, a weak dollar and rising exports, so the slump of the 1980s was precipitated by a reversal of those conditions. Agricultural exports peaked at \$44hn in the 1981 fiscal year; in the last fiscal year; they were worth Farm bankruptcies and foreclosures continue to gain momentum, particularly in the grain and oil seed heartlands of the mid-west. Many thousands of farmers have already gone ont of business, and a further 5 per cent of the remaining 2.2m are widely expected to go into liquidation this year.

1981 fiscal year; in the last fiscal year they were worth only \$310n and are likely to be lower still in 1985-86. This was the picture confronting Congress as it struggled to put together the 1985 farm bill. The hill's predecessor, enacted in 1981, called for high price supports in the expectation of a continuation. in the expectation of a continu-ing rise in world prices and demand. Neither materialised. In the meantime the Reagan cial farmers who were trying to gat bigger only to be hit by a collapse in demand for their produce, a crash in land values, and increasing debt ser-vice requirements, all at a time when they could least afford to

> The small operators, who have alternative sources of income, such as factory jobs, and little debt — an estimated 1.5m of the 22m total — are keeping their heads well above water. Of the remaining 700,000—pure commercial farmers — about one-third are believed to be in serious or terminal financial difficulties.

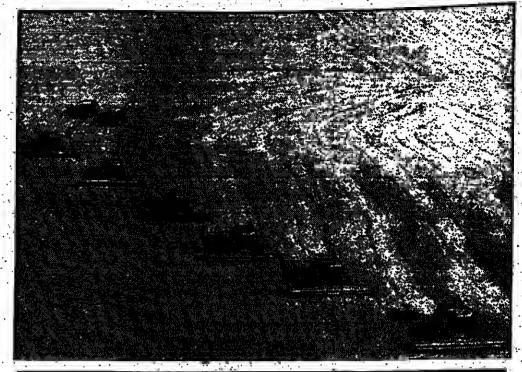
> Aggregate farm debt is esti-mated at a staggering \$210bn — of a similar order to the combined foreign debt of Brazil and Mexico. But the bulk of it (more than 60 per cent) is owed by only 19 per cent of US farmers.
> The collapse in land values

has brutally exposed the poor underlying quality of many of the loans which bankers fell the loans which bankers tell over themselves to extend in the 1970s and early 1980s. As the Comptroller of Currency pointed ont in a recent summary of the situation, "higher debt was supported by rising land prices rather than by higher cash flow."

The boot is now on the other

As a result, the scale of bank losses and failures has been

US FARMING IN TROUBLE



increased even more sharply and at the end of last year tha FCS classed \$5.32bn of its total outstanding debt of \$66.6m as non accrual" or non-perform-

The effect has been a drastic erosion of investor confidence in the securities which the FCS uses to fund its lending - and a sweeping reorganisation of its operations, conpled with a proper sales volume was more mise of treasury assistance, if than 50 per centibeless its 1979 necessary, through a backup peak. In 1986, Mr Schnittker reckons it could be down a

Among the banks with heavy exposure to agriculture, the picreported losses, compared with only 60 in 1983. Of the 30 US banks that failed in 1985, 10

the sharp drop, in sales over the Provisions for loan losses last few years; Tenneco fook creased even more sharply over International Harvester's farm machinery division and in-troduced a sweeping rationalisatroniced a sweeping ranonalisa-tion programme in late 1982; over the farm equipment busi-ness of the US company, Allis-Chalmers last May; Ford merged with New HoHand But sales have kept on falling despite heavy discounts offered by the marmineterists; and last

by the manufacturers and last reckons it could be down a further 15-20 per cent. Distress ment programme giving incen-

tives to dairy farmers to quit;
The big question for the
machinery industry, therefore,
is whether it has so far done enough to put, its house in order. Judging by the heavy overhang of excess capacity, the answer is almost certainly that it has not

it has not.

Mr Emmett Barker, President America's.

Equipment Institute in Chicago. Equipment Institute in Chicago, says. "I really don't believe that the Food Security Act of 1983 has any potential to improve the medium term outlook for agriculture. Some of our campanies may not live to see better days when they eventually come."

ally come.

People like Mr. Daniel
Amstutz the free market hawk
who is undersecretary for
international affairs at the
Department of interiority for
ing in farming as a whole as a
long overful strictural change,
which will leave it much
stronger in the end But thanks
to the programme of incomes The boot is now on the other foot. Land prices in key parts of the mid-west have fallen by more than 50 per cent since 1981 and are expected to drop by a further 3-5 per cent in by a further 3-5 per cent in the nation as a whole this year.

Among the banks with heavy exposure to agriculture, the pic farmers will continue to depress true is similar, the troubles of farmers will continue to depress; the market for new machinery; solidation of America's uniquely this year milking machinery support guaranteed under the new farm by a further 3-5 per cent in the nation as a whole this year.

Among the banks with heavy exposure to agriculture, the pic farmers will continue to depress; support guaranteed under the market for new machinery; solidation of America's uniquely this year milking machinery support guaranteed under the new farmers will continue to depress; support guaranteed under the market for new machinery; solidation of America's uniquely that year milking machinery in the programme of incomes and incomes the market for new machinery; support guaranteed under the market for new machinery; support guaranteed to the programme of incomes support guaranteed under the market for new machinery; support guaranteed under the market for new machinery; support guaranteed to the programme of incomes support guaranteed under the market for new machinery; support guaranteed to the programme of incomes support guaranteed under the market for new machinery; support guaranteed to the market for new machinery; support guaranteed to the programme of incomes support guaranteed under the market for new machinery; support guaranteed to the programme of incomes support guaranteed to the market for new ma that process will be prolonged and unprecedentedly expensive business. It could also prove extremely costly in political terms. terms.

As the EEC and other farm exportain are beginning to find out, the structural shakeont is meant to involve their own agriculture just as much as

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configuration and

supply of IBM 3705 and

3725 Communications

engineering team.

## **Budget handouts** or tax reform

IF THE Institute for Fiscal Mr Lawson in the Budget, For Studies is crowing a little in the wake of Mr Nigel Lawson's third Budget, it can surely be forgiven. For many years now, the IFS bas heen putting the case for an "expenditure tax" with all the ardour of a Latin lover. In 1984, the Chancellor rejected its entreaties, arguing that such a reform was "wholly even as a long-term goal. Yet this year, with the proposed introduction of Personal Equity Plans, Mr Lawson took a significant, if unedmitted, step in The concept of an expendi-

ture tax is often misunderstood. A better title, which is often nsed in the US, is a "con-sumed income" tax. For what is being urged by the IFS and others is not a sort of super value-added tax but, in effect, an income tax with a different hase and a different set of ex-

Broadly, the hase would consist of all an individual's cash receipts: it would include, for example, proceeds from the sale of securities as well as wages. The crucial point, however, is that every form of saving would be deductible. Like income tax, an expenditure tax would be tailored to an individual's circumstances—an appropriate personal allowance and rate band would ensure that It was as progressive as required.

#### Distinctions

An expenditure tax would seem to have many advantages. Unlike an income tax, it would not impose a "double" taxation on savings: the post-tax return on any form of personal investment would be equal to the pre-tax return rather than artificially depressed. The pressure on people to consume today rather than save and spend tomorrow would thus be removed. The Prime Minister could promote it as a tax that gives the thrifty a fair deal.

The Inland Revenue could welcome it as a means of greatly saimplifying the present tax code. An expenditure tax would provide the rationale for a much more logical reform of capital taxation then that attempted by

Mr Lawson in the Budget. For year an army of accountants and lawyers has made a good living drawing fine distinctions; hetween "capital" and "income." Under a consumed income tax, such distinctions would be neither necessary nor relevent.

Capital gains would be taxed like any other receipt—at full expenditure tax rates. Capital transfers would suffer the same fate: gifts made, whether in life or on death, would be treeted as an ordinary form of con-sumption. Gifts received would he treated like any other receipt

—taxable unless saved.

At present, as the IFS points out, the British tax system is failing between two stools. The country no longer has a proper income tax because special incentives are given for virtually every form of saving. Apart from Peps, special rules apply for saving through: pension funds; the Business Expansion Scheme; portabls pensions; cer-tain qualifying life insurance policies; and through mortgege interest relief for bouse purchase, which is sometimes hest regarded as a type of saving.

The trouble is that the rules for these different medis are

quite different; for most invest-ment decisions tax is still as ment decisions tax is still as important a consideration as underlying yield. Worse, the ad hoc exemptions and reliefs for saving are not balanced, as they would be under a proper expenditure tax, by a broadar initial definition of "income." An expenditure tax would not be a panacea: the transition would be complex and there would doubtless be practical drawbacks. But the merits are surely such as to deserve closer scrutiny by the Govern-ment: if the Chancellor is willing to devote time and resources to a Green Paper on metrimoniel taxation, he ought to be willing to do the same for the structure of the tax hase. The alternative would seem to be an unplanned drift towards an expenditure tax with Budget handouts taking the place of rational reform. The danger is that the UK

would end up with the costs

hut not the benefits of a con-

#### Hiram Walker's triumvirate

Those who know the three men who call the shots at Hiram Walker Resources are not surprised that they heve apparently decided to dismember the venereble Canadian energy and liquor company rather than succumb to a takeover bid by the Reichmann family, who con-trol the Olympia and York real estate and resources empire.

estate and resources empire.
Clifford Hetch, senior, ona of
the patricians of Anglo-Saxon
Canada, fought off other unwelcome corporate suitors during 20 years as Hiram's president and chief executive. Now
agsd 69, ha retired two years
ago but remains the elder statesman on Hiram's board of man on Hiram's board of

The Hatch family was largely responsible for stitching together Biram Walker after buying its first liquor business in the early 1920s.

And the family links continue through Clifford Hatch, junior, 43, an aggressive Harvard MBA, who heads Hiram's liquor division. Hiram has proposed selling its spirits husiness to Allied-Lyons of Britain as part of its efforts to thwart the Reichmanns' hid. the Reichmanns' bid. The third important figure in

"They've offered me tha box and the chance to write my own placards"

#### **Men and Matters**

the Hiram triumvirate is Alfred | about eight before too long. (Bud) Downing, 63, the com-pany's chairman and president. A mild-mannered, self-effecing chemical engineer, Downing has spent his sntire career with the company, including a stint at its distillery in Argentina.

Downing catches the bus to work each morning from his Toronto apartment. "He has a sense of what's right," says one Toronto securities analyst, referring to Downing's efforts to secure the best deal for share-holders, even at the expense of

#### **Bristol fashion**

Hoare Govett has finally filled the gap left by the departura of most of its traded options am for rival brokers L Messel in December.

Hoare have "borrowed" the two-man traded options team from Westavon Securities, a small but innovative fund management company based in Bristol.

Hoare is understood to have paid a large six figure sum to Westavon for the services of James Mahon, 35, Westavon's investment director and a veteran of the traded options market, and John Knox, 28, who ioined Westavon from stock-brokers Statham. Duff Stoop two years ago. Mahon is on a one-year contract to Hoare but is still employed by Westavon while Knox is on the Hoare pay-

account for about 10 per cent of traded option volumes, the departure of its team, headed by Geoffrey Chamberlain, was a bitter and expensive blow. It had to withdraw from institutional husiness for a while though it maintained a service for privata clients. It is now rebuilding its options teams and

For Hoare, which claims to

The rapid growth of traded option business in recent months has prompted an acute shortage of people with the right expertise and Hoare looked long and bard hefore lighting on the Westavon team.

Hoare partner. Peter Meinertzhagen, says the one-year contract is intended to give Hoare a lef-out if the new team does not settle in, but Westavon hopes to hang on to Mahon, who is still helping to manage its £38m of funds from Hoare's City office. For Westavon this arrange-ment gives it much closer deal-

ing contacts and greater exposure in the City. Westavon was one of the first fund management groups to see the potential of traded options, launching two option linked unit trusts in 1982 and 1983. Ironically it is winding up its gits and traded options fund following the 1984 Finance Act,

Trading places The splashing about in the City continues to cause ripples on distant shores.

which put such funds in an unfavourable tax position.

distant shores.

Barclays de Zoete Wedd,
which last month appoloted
Nicholas Sibley, former managing director of Jardine Fleming
in Hong Kong, as head of its
international equities team in
London, has now netted another Jardine man in Tokyo.

Mike Connors returned from holiday in Bali yesterday to take over as BZW's head of equity research in Japan. He replaces Simon Grove, who joined just over a year ago from Kleinwort Benson / Grieveson Grant. Grove, a well-known Tokyo character, is a respected Japanologist who rejoices in hopes to have numbers up to regaling visitors with tales of

Tokyo's more exotic social customs. Equity research, however, was never considered one of his strengths. He had built his reputation on sales, particularly gilts.
"Our main priority now is to

build a top quality equity, research team in Tokyo," a local BZW man said yesterday. Connors was head of Jardine's equity research and specialised in consumer electronics and technology.

## Mail orders

Soviet troops in East Germany

life. Each day Soviet military patrols drive through West Berlin to exercise their four-power rights, much as the Western allies do in East Berlin.

Their Lada car invariably stops at a West Berlin news stand where two officers get out and buy bundles of Neckermann

and buy bundles of Neckermann mail order catalogues for the folks back home.

Other Soviet Army vehicles with uniformed drivers stop in front of a well-known leans shop near the West Berlin office of Aeroflot, the Soviet airline. Men in civilian clothes get out and buy as many pairs of leans as they cam carry. The jeans are ordered by Soviet officers for their children, who are fascinated by the West which they glimpse via West German television programmes in East Germany.

Germany.

Where the officers get the hard D-Marks for the purchases remains a mystery unless they exchange East German marks for D-Marks at the black market

## Double-meaning

"If having one wife is called monogamy," a Hampshire teacher asked a 12-year-old in her class," what is having two wives culled?" The boy thought long and carefully before answering: "Stereogamy."

**Observer** 

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BANK PROBLEMS IN THE GULF

# Islam's bad debtors

By a Special Correspondent

THE "bard times" in the they will be increasingly reluc-THE "bard times" in the Arabian Gulf have brought on a confrontation that the region's banks always hoped would never happen, namely a clash between Western banking practices and the principles of Islam which forbid the receipt and payment of interest. In the days of uninterrupted economic growth the issue of

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economic growth the issue of bank interest somehow never mattered. Borrowers' profits were so spectacular that in-terest was not a problem. The banks, on the other hand, were banks, on the other hand, were so eager to jump into the fray that most ignored the fine print from lawyers on loan documents that interest was unenforceable in Saudi Arabia. They have known for years now that the courts in Abu Dhabi only accent interest calculated on a simple interest basis (rather than com-pound which is interest on in-

and the number of defaults and liquidation cases rises rapidly, the implications of these laws are at last being realised.

All over the region, banks report that they are being forced by clients to submit to negotia-tions over the rate they are willing to pay on their out standing loans. Many in Saudi Arabia are refusing to pay any interest at all. More alarming, say bankers, is the tendency of Gulf customers to walk out on their debta, comfortable in the knowledge that the last thing the banks want to do is take them to court. In many cases, these customers are known to have funds bidden away abroand are unwilling to bring them and are unwiting to bring them back. Bankers and horrowers both know that even if couris pass judements, enforcement is rarely, if ever, achievable.

Most foreign bankers sneer at their clients' new found

religious principles and say customers are trying to bide behind Islam to avoid paying their debts in full.

The old fears about interest have been resurrected by a case currently being heard in the Abu Dhabi courts where a bank enstomer is seeking a refund on the "illegal" compound in-terest which he has paid on an overdraft for the past 17 years. The implications are enormous.

Many banks are considering packing their bags altogether, while others are cutting their presence significantly. They say that unless governments in the area are willing to implement a code of civil law which will pro... tect their rights as creditors,

Encouraging facts

Deputy Chairman, British Invisible Exports Council

Sir. - Once again, in deplor ing the decline in Britain's manufacturing base, the critics take a side-swipe ar British ser-vice trades, if only to assure us that no real salvation can
possibly he expected from that
quarter. And once again
Britain's invisible exporters who, apart from North Sea oil, are still providing the only sur-plus in the balance of payments, are dragged into an argument which has been none of their

The latest to join this knockabout debate are Sir John Harvey-Jones in his Dimbleby Lecture and you in your leader of April 4. Sir John tells us with relish that the UK has been losing market share in services even faster than inmanufacturing. You, sir, state:
"Contrary to popular belief
the UK is not that good at ser-

Before readers take all this as gospel, could I pose one or two questions and remind them, and you, of e few facts. The decline in market share is not in dispute. UK invisible earnings as a percentage of world invisibles has dropped from 12.9 per cent in 1969 to 8.5 per cent in 1983. The question is why; and is it signifi-

The decline reflects (i) the growth of tourism world-wide (ii) the decline in shipping and (iii) a world trend towards the service trades, leading to com-petitors in developing and de-veloped countries alike. But has all this reflected a lack of competitiveness in UK services? Hardly. Unlike manufacturing industry, Britain's tradeable services have not been penetrated by imported services; their foreign surplus re mains intact and is growing; and, in the prime sectors of finance, professions, consul-tancy, television and entertain-ment they remain world

Now a few encouraging facts. It is possible that at this moment (as The Economist has noticed, and you, sir, have not the UK is running the largest net invisible surplus in the world, as the US net surplus begins to decline. Germany and Japan are still in deficit on invisibles. Britain's surplus on financial transactions was £6bn in 1984, double that in 1981. (London accounts for 25 per cent of all international banking transactions; New York 15
per cent.) In the categories
covering net foreign earnings
from financial services, consultancies, the professions and
entertainment, the UK has been first in three of the past five years (ie, ahead of the US). So why so much gloom and denigration of Britain's service

trades? The tradeable services

tant to stay...

In the meantime, many are insisting that new credits are written under foreign law and backed by external assets. Others say there are atill good names around whose record on interest is impeccable and therefore remain creditworthy. The sceplics point out that the good names of today can overmight become the bad names of to a ride by their banks. They tomorrew. Some countries in the Gulf

are hetter than others. Oman and Bahrain for example, have commercial codes of law which present no problems for bankers. Kiwait, no, maintains a reasonable law, but the access of foreign banks to the Kuwaiti of foreign banks to the Kuwaiti legal system has not yet been really tested, and the bank-rupicy laws are not anyway, being allowed to epply to those who lost on the illegal Sonk-al-Manakh stock market, who account for most of the default cases. The simp in Kuwait is so severe that few bank are willing to lend to Kuwaitis anyway.

But in the Emirates and Saudi Arabia, governments have reacted to the oil market collapse by delaying payments to local companies. Borrowers in

simply cannot afford to pay com-pound rates of interest now." Banks could not come into the Gulf and think they can operate as they do in London or Tokyo. "They have to make conces-sions to local culture," he added. Many merchants feel that be-cause the banks prospered in the expansionery days, they, like everyone else, must now make "sacrifices."

Bankers are not impressed and claim that the rules of the game are suddenly being re-

An underlying fear of many in the area is that the Gulf governments may support their



## A heavyweight sheds pounds

Nicholas Colchester

ONE frequeotly-heard argument by Japan's still rather hideagainst the eotry of the pound bound financial system. tive to the bad debt corporasterling into the European Monetary System is that the these schemes, special entities funded by the state would hay up all the bad debt and reschedule borrowers at soft EMS will find it hard to accommodale acother heartweight currency alongside the D-mark. Quite apart from Britain's oil. my the sceptics, sterling's status as a widely used, traded and held international currency that if the current case for a mat if the current case for a refund on interest is allowed to go through, there will be a catastrophic halt in new lending. It is vital, they say, that the government issue a decree endorsing compound interest. But such a move would be politically difficult. Already local judges feel they have gone too far in contradicting the laws of Islam. means that larger market forces will work upon it than those challenging the EMS parity of the French franc, or the lira or the guilder.

What is sterling's real status loday? The box shows the different functions expected of an international currency. The most basic definition of a heavyweight is that nations use it as a store of value by holding it in their reserves. The IMF figures in Table 1 show this use of different currencies at the eod

In Saudi Arabia, interest is forbidden altogether, and the courts there—as in Abu Dhabi —consider that loan repayments are of principal, not interest. In both states, banks have found that debts have been whittled down to negligible amounts by order of the courts. In some cases where interest payments have exceeded the original loan amount the court has ordered the bank to repay its customer. Banks in Saudi Arabia have hastily settled out of court with some clients who have tried to seek refunds. They suggest that sterling is well on the way to having the same relationship to the D-Mark as other European currencies. Over the last decade its status as a reserve currency has been halved while that of the D-Mark has doubled and that of the yen has come from nowhere into fourth positions. rerunds.

Most Gulf governments realise the seriousness of the problem and the implications for future credit. Saudi Arabia, for example, has tried on several occasions to establish committees under the Commerce Ministry where discounted to seek the commerce of the problem and the implications for future credit. Saudi Arabia, for example, has tried on several occasions to establish committees under the Commerce occasions to establish commerce occasions to establish committees under the Commerce occasions to establish committees under the Commerce occasions to establish commerce occasions to establish committees under the commerce occasions to establish committ

mittees under the Commerce Ministry where disputes be-tween banks and their clients in the private markets. Table 2 gives figures from Salomon Brothers on the dollar value of the different denominations of international bonds issued in

can be adjudicated, out of the Sharis law courts, Bankers in both Abu Dhabi and Riyadh are thinking of drawing up blacklists. These And one can do a similar exercise for the currency dis-tribution of international bank lending. The figures in Table 3 would consist of names of those who renege on debts and interest and refuse to bring money home to pay off ourstandshow only the foreign currency assets of the banks in the indus-trial countries, outside each bank's country. They exclude the large amount of lending that goes on between hanks before the depositor's money reaches the non-hank borrower

Tables 2 and 3 show the emergence of the D-mark, the Swiss franc, the yen and the Ecu as alternatives to the dollar Most analysts believe that no matter how much pressure is applied on governments by the banks, there will be no changes as stores of value in interna-tional capital market and bankbanks, there will be no chippes in the legal codes and general isonal capital market and banklevel of commercial morality until those companies which do pay their debts speak out. In the D-mark particularly promise the end, they too, will be affected by the reputation the Gulf private sector is gaining.

There is little doubt that if sterling does have a status today underlying does have a status today of money market and underlying investments liquid, the D-mark particularly promise greater than the strength of the underlying economy, it is in its value is volatile and the dity of money market and bank dity of money market and underlying investments liquid, bond market investments that the City prefers things the underlying economy, it is in its sterling is an attractive vehicle this way because volume, underlying economy, it is in its value is volatile and the dity of money market and bank dity of money market and underlying investments liquid. The foreign exchange fraternity and volatility create to those playing the internations for profit.

The pound sterling's showing is surprisingly muted when one considers the importance of

considers the importance of London as an international financial centre.

The other ways in which international currecties are used are harder to quantify. I have, for instance, not been able to discover figures for the percentage of international trade invoiced in different currencies. The IMF borean of statistics recently published statistics recently published incomplete data of variable, though recent, date showing how each country's exports and imports break down by cur-

rency.

1 have extracted the degree to which each country invoices its own exports and imports in its own exports and imports to its own currency—a measure which must be infinenced by the international role of that currency. Table 4 says more about the dollar's predominance and the low profile of the yen than anything else. Sterling does not stand out against other European currencies, but the table shows the relatively high proportion of imports that are now affered to West Germany priced in its own currency.

Another official international function for a currency is to serve as a base for the exchange rate regime of another country. rate regime of another country.

Table 5 is based upon research
by Peter B. Kenen of Princeton niversity for the Groop of

Sterling is no longer much of a vardstick. France preserves a striking degree of monetary colon;alism Generally, the trend in the developing world is to-wards baskets of currencies, whether official or homegrown. Finally, there is the use of currencies in foreign exchange

trading.
The Bank of England's currency trading room feels that the following discrete currency pairs loom large in foreign exchange trading in descending order of importance; the US dollar-D-Mark market, followed by the continuous for the tradition. by the sterling-D-Mark market.
That is a global guess at trading volume. The trading rooms of big commercial banks

in London say their local order is: sterling-dollar, followed by dollar-D-Mark, followed by dollar-yen and then sterling D-

Private sector Trade invoicing Currency pegging Unit of account Vehicle currency in Intervention currency Means of payment forex trading Denominating loans, Store of value Reserve currency deposits, bonds

International uses of sterling.

End 1974 End 1984 USS D-Mark 57.0 11.0 Official 4.8 2.6 Sterling reserves Swiss frame 1.4 French frame 1.0 1.9 1.0 11.0 Ecu 11.4 10.6 Other IMF ann

Value \$bu 6.8 D-Mark International Yen Sterling bond issues Swiss franc 14.5 French franc 1.6 8.8 4.4 Ecz 165.0 Total

Sept 1985 US\$ D-Mark 70.0 16.0 48.7 International Yen Sterling bank lending Swiss frame 14.8 4.9 0.6 French franc 1.8 2.0 Total External, foreign currency, non-bank assets of banks re-porting to the Bank for Inter-national Settlements.

Per cent of exports (invoiced in own corrency) Exports Imports Invoicing of 30 in 1974 in 1981

Dollar peggers Sterling peggers Exchange rate SDR peggers Own basket peggers Other currencies Percentage of developing countries pegging their currencies to different coun-

## Letters to the Editor

alone are providing 40 per cent ( of Britain's jobs, compared with 26 per cent for manufacturing. W. M. Clarke. 14, Austin Friors, EC2.

The future

of steel From Mr J. Craig Sir.-Mr Robert Scholey has

at long last been given the final responsibility for the future of responsibility for the future of British Steel Corporation (BSC). He takes over when forecasts suggest that the year to March 31 1986 will show that BSC has again become profitable. Mr Scholey has lost no time in making it clear that a surplus of £200m is essential if BSC is to be viable as well as profishle.

This target suggests that Mr Scholey is still thinking that he will only be able to privatise the heavy end of the industry would perpetuate the damage done to the industry in the UK when nationalisation reduced the sources of steel supply to one and so forced users to seek a second source on the contin-

a second source on the continent or in Japan.
Would Mr Scholey's task of
privatising the industry be
schieved more easily by splitting the present monolithic
structure into smaller units
based on geography? This
would have the advantage of harnessing the competitive urge of the tribal loyalties of the English, Scots and Welsh, which, after all, is one of the strengths of the British nation. 1 Buckland Court

37 Belsize Park, NW3. Electricity from France

From Mr D. Ross Sir, - The defence Electricité de France by Mr Maurice Garner (March 29) does not deal with the central point — that EdF supplies us with "cheap" electricity only if one ignores its massive debt. The debt totals more than FFr 200bn and is the equivalent of the cost of 20 reactors. What would the British Government say if the Central Electricity. Generating Board asked for preferential rates for loans to build 30 power stations and what would this do to the publicsector borrowing requirement? Any electricity utility, here or in the US, could, with 20. "free" power stations generat-

when it was required to charge for the fuel alone. It is most unfair to contrast the price with that paid to the CEGB which has slightly more ethical standards of calculating cost. It even includes a notional figure for the assumed cost of de-commissioning power sta-tions while the French do not need to incorporate in their need to incorporate in their price the cost of the original construction. They are trading in the red with Government complicity. We are not. Their electricity is truly being dumped on us.

David Ross. 55 Ruskin Park House, Champion Hill SE5.

Disciplined accountants

From the Under Secretary, Chartered Association of Certified Accountants.

Certified Accountants.

Sir.—I am writing in connection with the article on accountants by Ian Hamilton Fazey in your supplement on small businesses of April 1.

At one point Mr Fazey quotes Brian Jenkins, president of the Institute of Chartered Accountants in England and Wales (ICAEW), as arguing that, when small businesses are trying to find the right accountant. "a chartered one is best because other types of accountants are not subject to the institute's professional codes and disciplinary procedures." The implication of this—which is, to say the least, unfortunate—is that the professional codes and dis-

the professional codes and disciplinary arrangements of the other chartered accountancy bodies are of a less than adequate standard. As Mr Jenkins must certainly appreciate, and I would have hoped that Mr Hamilton Fazey would also have done, the association's codes of condoct and competence and disciplinary procedures are every hit as rigorous and competence of the condoct and competence and disciplinary procedures are every hit as rigorous and competence of the condoct and condoct and competence of the condoct and condoct prehensive as those of the English institute. Furthermore, the English institute and the association, together with the Scots Institute, operate a joint disciplinary scheme for cases involving the public interest. So although Messrs Jenkins and Hamilton Fazey are strictly correct in stating that accountants who are not members of the English institute are not subject to that institute's rules and regulations, the implication that only that institute's require-

ments stand up to real scrutiny is regrettable. "free" power stations generating perhaps 20,000 megawatts, provide "cheap" electricity Mr Jenkins's advice that small

businesses should ignore "the unqualified ones who call themselves accountants."
(Mrs) Anthea L. Rose.

ing loans. By agreement with the banks, such customers would be denied future credit facilities by all banks and could

serve to embarrass those deb-tors with high social profiles.

(Even Lank directors and chairmen are not above refusing to

their interest bills.)

nationals, as a cheaper alterna-

Bankers in Abu Dhabl say

In Saudi Arabia, interest is

rates of interest.

29 Lincoln's Inn Fields, WC2.

Equal rights of audience

From Mr M. Sternberg.

Sir.-Your legal correspondent's indiscriminate attack or the Lord Chancellor ("Pay pro-ductivity and the Bar," March 27) contains many inaccuracies.
One series of assumptions simply cannot go unanswered.
The suggestion ther is made concerning practice in family law cases is this: the Bar does not wasts a united family court because, "it would lead inevit-ably to equal right of audience for solicitors and barristers. something the Bar does no want . . . the Lord Chancellor shields the Bar . . . families and children at risk should complain."

The suggestion is patently

false. Solicitors have had rights of andience in the county courts, where the majority of family cases are heard, for over rights of audience in 98 per cent of high court cases since the 1940s. This is because 98 per cent of high court family work is heard in chambers. Solicitors cannot appear in de-fended divorces (about 50 a year) or application to commit to prison for contempt (no many more). Many members of the Bar do not want a unified family court but it is both unjust and unitrue to suggest that the Lord Chancellor shields a restricted right of audience, where none exists, and that thereby families and children are at risk. What would be more instructive would be to consider why it is that the Bar conducts almost all the beavy family law cases when virtually equal rights of audience exist aiready.

Literacy and numeracy

Michael V. Sternberg.

Sir.—As an adult basic educa tion tutor for some years, I note with dismay an increasing nomber of teenagers arriving at my classes barely literate and almost totally innumerate.

I would suggest the introduction of a compulsory literacy and numeracy examination for school-leavers. This would have to be passed before a pupil was allowed to leave school.

I feel sure this would con-

centrate, most constructively the minds of less enthusiastic secondary school students and might prove an effective weapon for the educational estab-lishment in its constant efforts to improve both academic achievement and classroom bebaviour.

(Mrs) Alison V. J. Bailey. Cliff House, Llancarfan.

# EFFECT ON **EXPORTS**

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# **FINANCIAL TIMES**

Tuesday April 8 1986



Cheaper oil adds to Gorbachev's problems, writes David Buchan

## Soviet reforms under pressure

THE BIG new squeeze on Soviet dollar earnings from energy may not only lead to a 25 to 33 per cent cut in the Soviet Union's annual new steps here. He bas said region to 200 to ports, as the Soviet Trade Minister conceded last week. It also puts Mr Mikhail Gorbachev's vaunted economic reforms under new and con-

It gives, oo the one hand, urgency to the oft-voiced need for Soviet exports to become more competitive in relatively price-stable manu-factured goods and less reliant oo the vagaries of volatile world commodity markets. On the other band, it is likely to make harder the current modest attempts to decentra lise the organisation of trade and access to ever-scarcer bard curren-

It would be simplistic to link the degree of Soviet interest in economic reform too directly to movements in the world oil price. Officials rightly point out, that trade plays a relatively small part in their mega-economy, and less than balf that trade is conducted in hard currency.

But it is striking that from 1973 to 1984 - when, according to a new United Nations report, oil and gas receipts accounted for \$19.1bn of the total \$22.7bn increase in Soviet exports to the West - the Soviet Union made no serious effort at economic reform. That was last attempted in the "oil-poor" 1960s.

Significantly, it is to the 1965 Kosygin reforms that Mr Gorbachev has reached back for some of his "new" ideas. For instance, the newy announced freedom for state farms to sell their above-target production as they wish restates a right that has existed on paper since 1965. The problem has been, according to specialists at the Mos-cow Economics Institute, that the authorities bave geoerally pressed farms to sell all their produce to the state, rather than on to the private

Another echo of the 1965 reforms comes in Mr Gorbachev's call for

S. African

blacks

threaten

boycott

By Anthony Robinson

SOUTH AFRICAN black activists

yesterday threatened "an immedi-

ate and total consumer boycott and

mass stavaways" if the Govern-

ment took any action against Mrs Winnie Mandela, the anti-apartheid

leader, following ber weekend call

to blacks to dismantle apartheid

The warning of popular prolests

first in the industrialised Vaal tri-

angle and then possibly nationwide, was issued by the Release Mandela

Campaign which has long been lob-bying for the release of Mr Nelson Mandela, Mrs Mandela's busband.

and other imprisoned leaders of the

banned African National Congress. Mrs Mandela, who bas lived un-

der various banning orders with on-

ly brief intervals since 1962, had the

restrictions banning her from living

in ber Soweto bome revoked last

week in the wake of a Bloemfontein

Appeal Court raling in mid-March.

This led to the repeal of a banning

order on 16 anti-apartheid activists.

Yesterday a ministry spokesman confirmed that although some of

the restrictions on Mrs Mandela had been lifted she was still legally a restricted person who could not

be quoted. But this view bas been

ignored by lawyers acting for local

newspapers who have gone ahead

with the publication of lengthy in-

terviews in which Mrs Mandela has

called for mandatory sanctions, rejected the Government's "refor-

mist strategy and called on blacks

to dismantle apartheid themselves.

whole situation was in a state of

flux as the minister was urgently

reviewing the whole banning proce-

dure. The newspapers are not ex-

pected to be prosecuted for publishing Mrs Mandela's words, but

the latest statement by the Release Mandela Campaign is seen as an at-

tempt to prevent the minister com-

ing up with a new and tougher set of rules, which could by-pass recent court judgements and impose even

stricter rules on banned people.

Meanwhile, a fierce row has broken out between President P. W. Botha and Chief Gatsha Buthelezi. Chief Minister of Kwazulu who is one of the main architects of the "Kwanatal Indaba" which is meeting in Durban to produce a single, mulli racial legislature for the province.

Speaking in the Kwazulu National Assembly in Ulundi. Chief Buthelezi accused the President of "burying his head in the sand" and denying that apartheid was the root cause of the evils of South Africa.

Chief Buthelezi concluded: "I might soon have to tall the world

might soon have to tell the world that Mr Botha is snuffing out the small flame of bope which burns in

The ministry spokesman said the

in Johannesburg

themselves.

\$32bn to \$33bn bard currency im- al authorities will now fix fruit and vegetable prices in state sbops, but by 1990. that still leaves the bureaucrais and But a computers in Moscow trying to set be paid for any production (of grain anywhere between 12m and 20m wholesale and retail prices.

Tight allocation of components, and producer and intermediate goods, even more than of finished products, is one of the Soviet economy's most distinctive characteristics and problems.

Mr Gorbachev has made a start in merging the 60 or so industrial tive downgrading of targets might

The biggest gap between Soviet target and reality is in agriculture, so much so that Moscow ceased publishing grain harvest figures in 1980.

targets.

rationing factories' inputs and outputs. He has amalgamated ministries in the agriculture, energy and machine tool sectors. But this is still a long way from the logical end of one single industry ministry as now exists, for instance, in

But Mr Gorbachev also has some reform ideas of his own, which, if successful, would boost agriculture and so stem the hard currency drain of grain imports, and also would improve the chances of Soviet manufactured goods on world

 The biggest gap between target and reality is in agriculture, so much so that Moscow ceased publishing grain barvest figures in 1980. Western experts believe the 1981-85 harvests averaged 183m tonnes a year, far below the annual average target of 239m tonnes.

Mr Anatoly Khorokhorin, a senior planner at the state agricultural committee, explains that no one wanted to lower the overall targets. Generally, targets must be seen to rise to demonstrate inexorable • The Andropov experiment, start-

branch ministries whose chief job is spread further or be restricted to agriculture, the one area of the

economy where targets bad come to

bear no relation to reality.

mance, with 250m-tonna harvests

But a 50 per cent price bonus will

and other major staples) which is above the average production in 1981-85, regardless of whether out-

gets. Thus, incentives will be realis-

tically tied to past production rather

It is unclear whether this effec-

· A refinement of this downgrading of targets is the new freedom for state and collective farms to dispose as they wish of 30 per cent of their targeted output in fruit and vegetables. Mr Gorbachev cited as precedent for this Lenin's 1921 producing, or food tax.

Talk of a "tax" might sound onerous to Western ears, but the 1921 tax in fact replaced outright food confiscation during the civil war, revived private farming and has, for Soviet citizens today, connotations of the semi-market, mixed ownership economy that existed in the Soviet Union in 1921-28.

However, this new flexibility giving state producers access to prisignificantly limited to frult and vegetables, of which a third is in any case grown on private bousebold plots. So the ideological impli-

progress along the Leninist path. ed in 1984, is to cover half of all So-

and gives workers more say in dis-JAPAN HAS been urged to set it Labour productivity rose, with five out of 26 industrial sectors reself a medium-term national policy goal to reduce its current account porting a 0.7 per cent cut in the surplus "to one consistent with international harmony" by a special number of their workers and the remaining 21 sectors showing no increase in the workforce. There was, bowever, little improvement in the

The group says that to achieve the recommended goal, Japan should stimulate domestic demand change some internal economi structures, further liberalise its financial and capital markets and through tax reform, encourage propensity among the Japanese to

These broad recommendations

from sectoral standpoints.

However, the report contains

This may disappoint Japan's trad-ing partners who had been led to to Mr Nakasone today, at the same time as the announcement of some new economic stimulus measures.

European journalists: Because we are a free market economy and a free trading nation, it is difficult to come up with numbers." Japan has been cool to this EEC approach

In one of its few specific references, the Maekawa report does suggest that the domestic coal mining industry, which it cites as a clas be reorganised, with vastly reduced output, so as to make possible more

more Japanese investment overseas to promote a more equitable international division of labour; a new multilateral trade round with further reductions in Japanese tariffs and other barriers; stable exchange rates; a flexible monetary policy: import promotion drives: a crackdown on counterfeiting and a

The group even suggested that the widely-divided and little-used office of trade ombudsman be strengthened to deal with foreign complaints.

Other issues of controversy such

## **Japanese** report sets goal of economic harmony

advisory group set up last October by Mr Yasuhiro Nakasone, the Prime Minister.

were compiled by a committee of 17 establishment figures from government and industry under the chair manship of Mr Haruo Maekawa the previous governor of the Bank

Mr Maekawa said at a press con ference yesterday that this was the first report to address what be described as "the intrinsic exportoriented nature" of the Japanese economy as a whole rather than

little that has not already become common currency in the long-run ning debate over Japan's trading successes. For the most part, it prescribes no detailed policy remedie and very few numerical targets.

expect that the Maekawa group's findings would be a seminal influence on Japanese policymaking. The report itself is to be presented Greater foreign critical attention is more likely to be focused on the brusque dismissal yesterday by Mr Shintoro Abe, the Foreign Minister, of European demands that Japan set quantifiable targets for manu-

actured imports.

Mr Abe told a group of visiting

sic case of a non-competitive sector imports of coal.

But Mr Mackawa shied away from suggestions that this was a radical departure from existing practice by pointing out that Japan already bad on its books industrial restructuring laws covering some 26 depressed industries, such as al-

Other generalised recommenda-tions include more foreign aid; shorter working week.

as the Japanese retail distribution systems, the interlocking web of Japanese corporate groups, and the Japanese Government procurement policies, were either not mentioned at all or given only the most fleet-

Armed with this report and the new economic measures to be announced today, Mr Nakasone leaves at the weekend for Washington to try to persuade the Reagan Administration that Japan is play-ing a full role in international

### able foreign exchange earnings (it turns out 850,000 cars a year, many of them Ladas for sale in the West). Sumy, says Professor Kashin, will soon be able to keep up to 60 per cent of profit, but only on the

understanding that it finances all imports from its 40 per cent foreign exchange retention fund. The overall aim is to make the

Soviet export profile less like that of a developing country dependent on see-sawing commodity prices. A greater share of exports in the form of Lada cars and Sumy machine tools would lend stability to bard currency revenues. But, if hard currency revenues really dry up this year, it is hard to see the Moscow authorities allowing any other companies to hold on to hard currency

fessor Valentin Kashin and his col-Institute report mixed results for

the new system which ties company

profits to actual sales and contract

fulfilment, rather than mere outou

rate of technical innovation, the

onomists say. Mr Gorbachev is pushing reform

Fiat-designed Volga car plant at

Togliatti and the Frunze machine

tool enterprise at Sumy. Even un-der the Andropov experiment, en-

terprises can keep no more than 40

per cent of their profit (the rest go-

ing to the state budget and branch ministry) and none of their hard

The Togliatti plant now keeps 47.5 per cent of its profit, and can retain 40 per cent of its consider-

currency earnings.

posing of those profits.

## Renault 'needs more state aid'

Continued from Page 1

bad for Renault. However, there

beavily on the launch of its new R-21 medium range car which has so far sold above the company's target on the French market with 38,000 sales since the launch at the end of February against a target of about 28,000 cars. Mr Besse sald he hoped to see Renault gain a 30.5 per cent of the domestic private car market this year and 32.5 per cent of the market for cars and light vans.

He added that the weekend devaluation of the French franc in West Germany, although be em-phasised the need for the devalua-French interest rates. He also called for a reduction in France's 33

and the worsening of the deficit of nearly FFr 11bn last year against a deficit of FFr 9.8bn in 1984, Mr

ery of the French domestic car mar- workforce over a 21/2-year period

by buge debts and specific prob-lems in certain foreign subsidiaries more than FFr 1bn last year.

also restructured its dealer network. in France.

Mr Besse said the task of returning a group like Renault to profit

Asked if be feared that Renault Despite the huge losses last year

Renault's car division which lost Besse listed a series of actions which should start bearing fruit in this year's performance.

see the French market recover to the 1.88m level this year.

The French car group is banking that be wished in prove productivity. Productivity last advance good luck to his successor.

Mr Besse was put in charge of cars per worker a year. Renault bas Renault by the former Socialist.

Renault continues to be burdened like Mexico, which alone forced the company to make loss provisions of

was similar to turning around an oil tanker. Although Mr Besse hopes to see Renault start to break even by the second half of next year and re-turn to profit in 1988, be did not disguise yesterday the difficulty of

faced the same fate as BL, the state-owned British group which faces possible splitting up and sale to the private sector, Mr Besse replied that be was doing all that was possible to push his group out of its current depression. But he added be would never say he would be able to cure Renault of its

group to profit. His main action bas been to seek

reducing the workforce and improving productivity, and seeking to lower the group's car production break even point to 1.2m cars a year from more than 2m in 1984. Mr Besse said yesterday that he would only be in a position to comment on Renault's 1986 financial outlook in June and that any forecasts for this

than 4,700 workers at plants in four

#### possible resignation. He denied these suggestions categorically and

cars per worker a year. Renault bas Renault by the former Socialist since it was first raised last au-also restructured its dealer network. Government at the end of January tumn. 1985 to mastermind the recovery of success in returning the loss-making state Pechiney aluminium

> to cut losses by recentring Renault on its core car business, shedding a number of diversified operations.

year were at present premature.

were now tentative signs of a recov-

should belp foreign sales, especially tion to be matched by a decline in per cent rate of value added tax to belp the recovery of domestic car

## These measures include a 25 per was any truth in rumours of his cent reduction in Renault's French possible resignation. He denied ket and Renault is still hoping to which has already helped to im- added jokingly that he wished in

Reuter reports from Detroit: American Motors (AMC), controlled by Renault, said it would lay off for an indefinite period 750 workers at its Jeep assembly plant in Toledo, Ohio, more than 10 per cent of the plant's workforce. General Motors last week said it would lay off more

Mr Besse was also asked if there

## EMS paves way for rate cuts

Continued from Page 1

before the weekend. The Bank of France is not due to review its intervention rate - the leading money market rate - until next Tuesday.

Belgium's National Bank said it saw the realignment as allowing Belgian interest rates to return to a more normal level after their rise in December when the Belgian franc came under pressure on foreign

The bank cut its short-term Treasury bills rate to 9 per cent from central rate, but it was effectively

and reduced its base lending rate, the bank rate, by balf a percentage point to 9.25 per cent. Unlike the other devalued curren-

cies the Belgian franc moved yesterday into the lower half of its permitted band. It closed in London at BFr 20.389 to the D-Mark, compared to an official intervention floor of BFr 20.89.

The Belgian franc was officially

day to 6% per cent from 8% per cent 9.75 per cent before the weekend, devalued by nearly 2 per cent against the D-Mark through the German currency's 3 per cent reval-

> Mr Geoffrey Dennis, of stockbrokers James Capel & Co, said the Belgian franc looks little more bealthy now than before the re-

\*Belgium made an application to join the hard currency club, but lol-lowed it up with an interest rate cut and dropped to the bottom of the

exchange rate system," be said.

## **BSN** profits rise 5.6%

BSN. FRANCES largest food and drinks group, which is currently the subject of takeover rumours, an-nounced a modest 5.6 per cent inst 19 86 sudject or taketver rumours, announced a modest 5.6 per cent increase in net consolidated profits 5 2 36 last year to FFr 798m (\$105m).

The disappointing result was in last year to FFr 798m (\$105m).

The disappointing result was in line with market expectations and follows a substantial fall in profits

during the first half. BSN, which recently announced it had acquired a substantial minority stake - believed to be over 20 per

laration is compulsory. The 5.6 per cent increase in profits last year was on the basis of a

4.3 per cent increase in turnover to

Profits fell most substantially in the group's beer and packaging div-ision and rose most in the dried foods division on which the group is concentrating expansion.

Crédit Industriel et Commercial (CIC), the large French commercial cent - in Générale Biscuit, France's bank, stepped up net consolidated main biscuit manufacturer, has it-self been a victim of a raid on its year, more than double the FFr shares. Two large internabonal 399m for 1984. CIC recently issued shares. Two large international 399m for 1984. CIC recently issued food groups are believed to be competing in buying up BSN shares, shareholders a stake for the first though neither has so far reached

#### THE LEX COLUMN

# A full tank for Fiat

The Chancellor of the Exchequer's personal equity plans may aventually discourage private inves-tors from cashing in their profits as soon as they enter a new tax year but, for the moment, the opportunity to defer capital gains is simply too tempting. So it searcely needed friday's fall on Wall Street to per-suade tax-paying individuals that profits are there to be taken.

#### Fiat

Whatever anybody else might think about the dizzy rise of the Milan stock market, Fiat seems to have no lack of confidence in it resilience and appetite for quality pa-per. The L1125bn rights issue an-nounced at the weekend is larger, in terms of relative capitalisation, than any secondary issue the Lon-don market has been offered. Or perhaps, when the price of Fiat's own ordinary shares has doubled since January, it would bave been criminal not to ask shareholders to finance a portion of the capital expenditure that would justify their earnings expectations, even at the cost of about 10 per cent off the

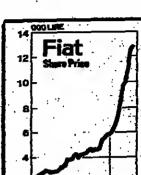
share price. Having more than discounted the effect of falling oil prices on Flat's vehicle sales and, rather less plausibly, of lower Italian interest rates on its debt service later in the year, the market has been keenly expect-ing news on the sale of Libya's 15 per cent stake.

All sorts of patriotic US corporations are apparently ready to belp huy the good Colonel out of Italian

industry. However, the placing of some \$2bn in Fiat equity is not quite the work of a moment even if the Agnelli family holding company sold on its non-voting rights to pick up a bit of it. Why the Libyans should want to dispose of such a marvellous countercyclical investment is anybody's guess.

As it is, shareholders are being isked to finance only a tenth or so of the cost equipping a plant for the successor range to the Strada. In the meantime interest savings of about L130bn will mitigate the earnings dilution this year, leaving First on the negligible price/earn-ings multiple of under 20.

#### Rugby Portland



The weatherman hit UK profits foreign exchange dealers knocked overseas profits, and the bankers took more in interest. But the Inland Revenue saved the day by giving back, in effect, about £4%m and so allowing a small increase in post-tax profits despite the 21 per cent-fall at the pre-tax level to £21.8m. This benefit seems to derive from the ACT shelter provided by the UK earnings of John Carr (Doncaster) the timber company, bought for £65m in cash and shares during 1985. This will be a non-recurring plus though, and as a result the rebound in pre-tax profits expected this year, with the bulls looking for £30m or even more, will do nothing

out at a normal 35 per cent. Rugby is still pursuing its aim of reducing dependence on the UK cement market. In 1985 it achieved that the wrong way, with cemen profits falling to about half the total sinclair's home computer brands is before redundancy costs. This year so logical it could have been conwill give a better indication of ceceived by an electronic brain. Animent's importance in the group as strad has the marketing skills and the other parts have a more normal year, and John Carr chips in a full Sir Clive always lacked. On the oth-12 months. Rugby's shares, in part et side, Sinclair is now free of the buoyed by bid speculation, are still worries of the business world and buoyed by bid speculation, are still rated high enough on a prospective ple of 13 at 179p, down 8p yesterday, to allow more paper acquisi-

for earnings if the tax charge turns

#### Currencies

Currency realignments almost always seem more exciting on a Friday evening than a Monday morn-

found anyone silly enough to take year. A far cry from the days when a long franc positions over the week. Sinclair Research was worth At least the taxman was on Rug-by Portland Cement's side in 1985. end squared their books and drove £136m.

the franc to its new ceiling. The D-Mark received official support for most of the day but still finished on

A 5.8 per cent devaluation makes good only about half the loss of competitiveness the franc has sus-tained against the D-Mark since 1983 but, with the theory of economic convergence for one receiving practical support from the two gov-ernments, that is unlikely to bother

the foreign exchange markets.

Of more immediate concern is the possible change in interest rate Yesterday's fall in franc period rates may have reflected nothing more than a return to business as usual but the weekend reshuffle should permit a modest reduction in rates for the softer currencies notably the franc and the lira.

That would leave the cost of starling finance looking more anomalous than ever. Yesterday's rise in the pound was no doubt helped by the catering problems on Norwe gian oil rigs but the prospect of a wider interest premium over most European currencies did it no harm

There is no reason why base rates should not fall later this week if Wednesday's money supply fig-ures are satisfactory but history suggests that the UK Treasury will hold out at least until next week's Opec meeting

#### Amstrad/Sinclair

Amstrad's purchase of Sir Clive. the ability to control stocks which can concentrate on the pure research. If that does come up with a marketable computer Amstrad has the first option to produce it. It is a slight come down to find that the Sinclair name will represent the low-end of the range with Amstrad reserved for more un-market products. The Eim price tag reflects Sinclair's position as a distressed selling and this one was no exception. er. With Amstrad expecting sales of The French franc and the D- the Sinclair brands at abound Mark dutifully swapped places 750,000 units a year, it could recover within the EMS as dealers who had the purchase price in the first full

# Planned Savings, offer to bid, income reinvested, 14.86. Above we show the performance of our ten unit trusts, five of which are in the top 50 of all 739 authorised unit trusts.

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	Percentage	Position and
	increase	total number
Trust	in value	in sector
European	+89.7	4th 30
International	+60.3	lst 95
Pacific	+50.7	lst 43
Japan	+49.5	6th 41
Special Situations	+46.9	4th 95
Income & Growth	+43.0	1st 87
U.K. Growth	+32.8	22nd 111
Practical	+20.0	3rd 7
America	+18.2	11th 91
High Income	+17.4	16th 17

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## SECTION II - COMPANIES AND MARKETS

# **FINANCIAL TIMES**

Tuesday April 8 1986



# Union Carbide to trim assets and shed jobs

BY PAUL TAYLOR IN NEW YORK

UNION CARBIDE, the US chemicals group's 611-acre Danbury head-divestments which Union Carbide quarters site which the group intends should be developed as a compercion to the description of 1986. terday announced plans to divest an additional S1bn in assets and re-duce its already streamlined work-force worldwide by a further 1,200 The latest asset disposal and cost

reduction proposals represent the first big action taken by Mr Robert Kennedy, who took over as president and abiof countries of the Persident and abiof countr dent and chief executive of the Dan-bury, Connecticut, group earlier products division put up for auction this month and will succeed Mr in January as part of its response to Warren Anderson as chairman when he retires later this year. Union Carhide, which has al-ready raised over \$700m through asset sales since it announced its sumed as a result of its 116m share restructuring programme last An-

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at the beginning of this year, an-nounced the latest planned sale of "non-strategic assets" in a letter to

mercial complex.

Mr Kennedy said additional as-

sets are expected to be divested in the next 18 months to reduce the company's debts and improve nearterm earnings and cash flow.

in January as part of its response to GAF's eventually unsuccessful

repurchase scheme which was also gust and has reduced its worldwide undertaken to thwart GAF. Carbide workforce by almost 7,800 to 91,459 assumed an additional \$2.5bn in debt as a result of the share repur-

"non-strategic assets" in a letter to employees.

The centrepiece of the latest as
thase scheme.

The 1,200 joh cuts amounced yesterday will affect company staff domestically and internationally. set disposal programme is the The cuts are in addition to a volun-planned sale and leaseback of the tary redundancy programme and

duction by the beginning of 1988. They also come on top of further workforce reductions resulting from planned divestitures.

Mr Kennedy, who also an-

nounced the group's planned capital and technology expenditure this year, said: "The new Union Carbide will be a somewhat smaller and a very much more focused company. Our senior management group, which totalled 46 people a year ago, will be 23 as a direct result of our estructuring thring the past year.
"By the end of 1986 we will have

hanking group and Banca Commer-ciale Italiana, the second largest simplified a company that had 20 divisions, six area companies and six executive vice presidents to one Italian bank, have subscribed L20hn of Merzario bonds which are with four, strong workiwide business groups \$7bn in annual sales, 10 divisions, one executive vice presiconvertible into equity. The issue is believed to represent dent and in effect no area

about 25 per cent of Merzario equity, which has remained until now 100 per cent controlled by the Mer-No less important, we have reduced the layering of management between CEO and plant manager or Merzario, founded in 1835 as a freight forwarder, has developed a

Olivetti

stake in

Merzario

empire, has acquired a significant

shareholding in Merzario, the Mi-lan freight forwarding, shipping and insurance group which last year had a L750hn (\$450m) turn-

over. The plan is for the family-con-

trolled Merzario to come to the Mi-

lan bourse in the next year or so.

ing company, together with Mr Jody Vender's Sopal investment

Mr De Benedetti's Sahandia bold-

chief buys

substantial container shipping business which accounts for roughly 50 per cent of group turnover.

Merzario last year entered into a

joint venture in the insurance field with Jardines and has activities in Europe, the Middle East and Far Sabaudia, one of Mr Carlo De

Benedetti's three main holding companies the other two are Colide and Cir - yesterday reported a La.lhn net profit. There is no comparable figure because Sabaudia was formed last year. Sabaudia which

launched a L300hn share issue on the Milan bourse, has a variety of important industrial and financial holdings which together have a poison pill dividend of preferred market value of L300hn and a book share purches rights. value of L177bn.

These include 20.65 per cent of

Euromobiliare investment bank, 7.32 per cent of the Pirelli holding company, 7.6 per cent of the Caboto financial and property group, 14.84 per cent of the Oriando family's Gim metallurgy group, plus holdings in the Mondadori and L'Espresso publishing companies

## INDEPENDENT CARRIER STAKES CLAIM TO AIR FRANCE TERRITORY

French fight over air routes

BY PAUL BETTS IN PARIS

over the allocation of long-distance routes to the country's two profitable long-haul airline companies, UTA and Air France. Olivetti chairman who also controls a personal industrial and financial

Air France, the national airtime, has argued publicly for the first time that the existence of a second, privately held Freech international company is in the long term damaging to the country's interests. Mr Marceau Long, chairman of Air France, claimed in a written statement at the weekend tica:

competition between his airline and UTA (Union de Transports Aeriens), the independent airline spe-cialising in long distance routes to Africa and the Far East, undermined the French industry in the face of growing international

The Air France statement is the latest chapter in the developing controversy between the state air-

mansport group. Until now, Air France has adopted a discreet public stance on the controversy. The state arrive chairman's decision to speak out follows the campaign hy Mr Rene Lapautre, the UTA chairman, to seek new routes to the US and eventually elsewhere in Europe to enhance his airline's competitive

position. In so doing, he has been treading directly on Air France's traditional turf. For the past 22 years, a French world between Air France and LTA, giving the smaller airline a major siice of Africa and a number of Far Eastern destinations, including Tahiti and New Caledonia, while Air France flew everywhere

But with the coming of airline de-

FRANCE'S international airline line and its smaller rival, which is of the business worldwide, UTA has While UTA has argued for the business has been shaken by a row cwied by the Chargeurs diversified argued for the need to diversify its need to develop a competitive sysroutes. Indeed, it has been hidding against Air France for a new Paris-San Francisco service.

> However, the current negotiations over new US routes between Washington and the French Government have had to be suspended. Mr Long denied in his statement that Air France had any responsi-hility in the collapse of the talks.

on to say that UTA was now seeking new international routes in areas already covered by the state airline and added: The interest of UTA must not be confused with the interests of French air transport." He also argued that the current fierce competition offered by for-eign airlines, especially US, Far East and other European carriers. made it all the more necessary for

France "to regroup its iorces."

tem based on the British model of British Arraeys and British Caledonian. Air France is now publicly taking the opposite line. It wants a monopoly system, similar to most other European countries with the exception of Britain, where international airline services are controlled by a single national carrier.

says European airline companies will in future have to compete The Air France chairman went against US "megacompanies" with fleets of 500 aircraft - far outnum-bering a company like Air France with about 100 aircraft and one like UTA, with only about 10 aircraft.

The controversy over international routes is likely to broaden further with the return of a right-wing Government in France committed to a free market economic approach

## Metallgesellschaft confident despite lower metal prices

BY JOHN DAVIES IN FRANKFURT

METALLGESELLSCHAFT, the West German metals, chemicals and trading concern, expects to keep up its performance this financial year despite lower metal prices and the decline in the US dollar.

The company has already reported a substantially improved net profit of DM 61m (\$26.5m) on group sales of DM 11.2bn in its financial year to last September 30 compared with DM 25m profit on sales of DM 10.5bn the previous financial year. It is paying a dividend of DM 6

per share after not paying for three years in succession.

Mr Dietrich Natus, the chief executive, said yesterday sales reve-

nue to the end of February, the first

five months of the current financial

year, reached DM 6.4bn, 5 per cent up on the same period a year earlier. He expected earnings this financial year to be comparable with those attained in 1984-85.

He said the group's strategy was to give more stability to earnings in all areas of business so that they would show good results even in less favourable times.

The group is greatly increasing its investment in the next two years as part of an effort to build up business and improve its foture earnings ability. It has also carried out important rationalisation measures in recent years in eliminate lossmaking problems in metal manufacturing and mining.

Mr Natus declined to indicate dividend prospects but said last year's payment was still not satisfactory.

He said that Metalleesellschaft ead-zinc mine at Meggen in West Germany and its zinc processing activities. were feeling the impact of low metal prices. The group's mines abroad, however, were profitable and were not causing any great

Mr Natus said Lurgi, the group's process plant manufacturing subsidiary, was contiming to build up sales again, particularly through small to medium-sized orders for environmental protection plant but

### Carson, Pirie rejects higher Baytree offer

BY TERRY BYLAND IN NEW YORK

THE BOARD of Carson, Pirie Scott, Chicago's second largest department store chain, has rejected an increased hid worth \$260m from Baytree Investors, describing it as

Chicago invertors, has said it that Bat Industries of the UK plans would sell of much of Carson's food service operations if its \$200 and to shed. bid succeeded.

Carson has already rejected an offer of \$35 a share from Baytree, and defended itself by declaring a

Baytree is headed by Mr Gilbert Granet, who recently bought Wiebold: Stores, which rates next to Carson in the Chicago retail league, and has also been credited with

The bid epproach from Baytree has been vigorously resisted throughout by Carson, which has accused the would be suitor of lacking experience in retailing nr food

#### Triumph-Adler, Olivetti in talks

TRIUMPH-ADLER, the office equipment arm of the Volkswagen motor group, is negotiating with Olivetti of Italy on co-operation in research and development and in the exchange of components, Ren-

ter reports from Nuremberg.
The West German group could not rule out that the chairmen of VW and Olivetti might bave been in Italian press reports that VW and be said.

Olivetti were about to exchange sbares as "pure speculation."

Triumph-Adler said the aim of the negotiations with Olivetti was to strengthen both companies against competition from Japan.

The talks were in keeping with a call by the European Commission for European companies to face the profits. contact. But an official dismissed challenge of Japanese competition,

### Lafarge optimistic as earnings surge by 58%

BY DAVID MARSH IN PARIS

forward to another year of steady European country growth after boosting net consolirest came main dated earnings 58 per cent last year South America. to FFr 786m (\$103.5m).

first time in five years, would continue to grow,

Lafarge was now starting to prof-

from efforts in the last few years to restructure loss making areas, such as the refractory division, to trim back debt and increase its activities in the biotechnology field. Lafarge's balance sheet bas im-proved considerably since its earnngs low point in 1982 with financial charges making up only 3.5 per cent

of turnover last year against 6.9 per up stakes. cent three years earlier. Lafarge was now halfway which Lafarge will build up its US through its plan drawn up that year activities by taking over six cement to reduce its indebtedness - which terminals in the Great Lakes area

LAFARGE COPPÉE, the blg year with the US making up 23 per French cement group, is looking cent, Canada 21 per cent and other European countries 11 per cent. The rest came mainly from Africa and

Mr Cerf said Lafarge was pleased Mr Olivier Cerf, the chairman, with the company's strong price declined yesterday to forecast this rise on the Paris stock market. with the company's strong price year's performance apart from say-where the share price has roughly ing the group's volume cement quadrupled since the beginning of sales, which rose last year for the last year. last year.

He brushed aside recent press speculation, however, that the company could eventually be the sub-ject of a hostile takeover as part of the wave of takeover activity affecting the bourse.

The company bas about 60,000 shareholders with more than balf its shares held by institutional in-vestors - including US pension funds, which bave started to build

A deal announced last July under fell by FFr 1bn last year - and basic bas still not gone through, mainly profits. France accounted for 37 per cent thorisation from the US Federal of group sales of FFr 17.4bn last Trade Commission.

NEW CHIEF EXECUTIVE AIMS TO RETURN A TROUBLED US MINING GROUP TO PROFIT

## Getting Amax out of a hole

BY STEFAN WAGSTYL IN LONDON

MR ALLEN BORN, chief executive of Amax, the struggling US mining company, is under no illusions about the prospects for metal

Emblazoned on the cover of the group's annual report, published last month, is the slogan: The future belongs to the low-cost

Amex, the world's largest molybdenum company and an important producer of coal and aluminium, is still paying the price for fol-lowing a different course in the past. Last year the company made a net loss of \$621m, taking the total deficit since 1982 to \$1.7bn. Debts at the year end stood at \$1.8bn against

shareholders' funds of \$750m. Even by the standards of the troubled US mining industry, these are exceptional figures.

Few companies were as ambi-tious as Amax in funding expensive diversification plans in the 1970s with heavy borrowings, and few have been hit as hard in the 1980s by the decline in metal prices, be-cause the price of molybdenum has fallen further than that of almost any other metal - from a peak of more than \$20 a pound to under \$3. In 1981 the company turned down a \$78.50 a share hid from the Chev-

ron oil group. The stock now trades at about \$15 on Wall Street, up from a \$10.50 low last year. Mr Born has to turn this battered company around. After six months as company president, the 52-yearold former metallurgist took over as chief executive in January from Mr

Pierre Gousseland whn had been in office since 1977. Mr Born knew what he was taking on - he worked at Amax for 14. years until he left in 1981 to join the Canadian group

At Placer, Mr Born became chairof severe financial trouble, taking it expanding into gold. But almost tinue contributing a vital part of brant if smaller company."



No illusions: Amax's Allen Born

away from base metals into precious metals, oil and gas. But he is the first to admit that the joh at Amax is a much bigger proposition. "This is a major overhaul," he says. His target is to bring Amax to hreak-even point, after interest charges, this year. "I know that's not good enough, but it's a start."

The company had been under heavy fire for its financial perfor-mance. At last year's annual general meeting, Mr Gousseland had to answer some very tough questions from angry shareholders. Mr Born is reluctant to comment on the past "I wasn't around I can't

talk about what came before me. 1 think probably people were waiting around for commodity prices to come back." Amax had already been trying to put its house in order, by cutting

costs and selling assets to reduce debts. But Mr Born's arrival has given the group a new impetus. His plan is to concentrate on the group's three core businesses - mo-lybdenum, coal and aluminium. He man and brought the company out also wants to put more effort into

anything else is, or could be, up for Amax's revenues. The third-biggest

In the past year the group has pulled out of iron ore - selling a 25 per cent stake in the Mount Newman mine, in Australia, for \$274m; it has also sold or is selling its US phosphate business, most of its remaining US oil assets (following up a major disposal made in 1984), its lead-zinc mine at Buick, Missouri,

and its Canadian tungsten mine. Elsewhere, loss-making businesses have been closed, including copper, precious metal processing and nickel refining. Altogether Amax made provisions of \$395m in 1985. Mr Born does not expect any

nore write-downs in 1986. Overall, the group, which had al-ready cut its workforce from more than 20,000 in 1982 to some 13,000 at the end of 1984, shed a further 2,500

jobs last year. · But all the savings have yet to bring the company's molybdenum business into profit. The Henderson and Climax mines in Colorado are running at some 50 per cent capaci-

Mr Born's target is to reach break-even in molybdenum this year. Productivity is being raised with the help of new mine plans. The worldwide sales and marketing operations of the Metals Group (mainly molybdenum) is being centralised to improve control and cut

Mr Born says the group can live with molybdenum at S3 a pound. But he blames other North American producers for souring the mar-ket. We are the only ones who have really cut back as far as moly is concerned." Mr Born wants Amax to be in a position to expand output from a low-cost base if his competi-

secure market selling some 90 per cent of its output on long-term conwants to expand further.

Gold brings a gleam to Mr Born's eye. The company's first gold mine starts production later this year at Sleeper, Nevada, at an estimated rate of 60,000 ounces a year. In Australia, Australian Consolidated Minerals, a 45 per cent-owned company. running at some 50 per cent capaci-ty and still lost \$90m before interest will bring Amax some 40,000 nunces a year. Mr Born says this is just the beginning - almost the entire Amax

exploration effort is going into gold.

The profits from gold or any successful diversification would be protected from tax for several years by the group's past losses. But the great constraint is finance. By the end of year Mr Born hopes to bave hrought down group dehis to \$1.2bn, an improvement on 1985's \$1.8hn, but still high in comparison with net assets of \$750m. Moreover

help achieve the reductions. Mr Born is relying on coal to con- Born says: "I think we have a vi

US coal producer, it has a relatively tracts to power stations. Mr Born bought an underground mine in Utah at the beginning of 1986 and He also has high bopes for Alu-

max, the group's 50 per cent-owned largest in North America. Alumax is a low-cost producer with a wide range of fabrication businesses which have helped to keep it in profit and survive tough times in the aluminium industry. Amax expects Alumax to increase profits this year with the opening of a new primary production plant in which it has a stake at Becancour, Quebec

Amax had to sell 7m new shares to

In other words, without a sur prise increase in metal prices, the recovery of Amax will be a long time coming. But at least its survival no longer looks in doubt Mr

These securities have not been affered in Canada in contraventian of the securities laws af any province or territory thereof and all of these securities have been offered outside the United States. This announcement appears as a matter of record only.

## Can. \$100,000,000

## **Canadian National Railway Company**

(Wholly owned by the Government of Canada)

9%% Notes Due March 18, 1994

Salomon Brothers International Limited McLeod Young Weir International Limited **Orion Royal Bank Limited** 

Bank of Tokyo International Limited Banque Nationale de Paris Commerzbank Aktiengesellschaft **Credit Suisse First Boston Limited** 

Shearson Lehman Brothers International Wood Gundy Inc.

Banque Bruxelles Lambert S.A. **CIBC Limited** Crédit Lyonnais **Dresdner Bank Aktiengesellschaft** 

Morgan Guaranty Ltd Generale Bank Swiss Bank Corporation International Limited S.G. Warburg & Co. Ltd. Union Bank of Switzerland (Securities) Limited

Bank of Montreal Bank Leu International Ltd. Bayerische Vereinsbank Aktiengeselischaft **Dominion Securities Pitfield** Deutsche Bank Capital Limited Markets Limited Goldman Sachs International

Great Pacific Capital S.A. Richardson Greenshields of Canada (U.K.) Limited

Vereins- und Westbank

Aktiengesellschaft

Banca Commerciale Italiana

Bank für Gemeinwirtschaft Banque Internationale à Luxembourg S.A. Berliner Handels- und Frankfurter Bank Furnmobiliare S.p.A.

Handelsbank N.W. (Overseas) Limited Rabobank Nederland

M.M. Warburg -Brinckmann, Wirtz and Co. Bank J. Vontobel & Co. AG

Banque Paribas (Belgique) Citicorp Investment Bank Limited

Ganossenschaftliche Zentralbank AG Vienna The Nikko Securities Co., (Europe) Ltd. **Toronto Dominion** International Limited

#### Northgate Exploration cuts debt but incurs loss BY KENNETH MARSTON, MINING EDITOR, IN LONDON of CS7.8m from the sale of part of After the year-end the debt was fur. East Kemptville open-pit tin mine

tors cut back.

CANADA'S Northgate Exploration progressed last year in reducing its debt, the servicing of which has been swallowing up the earnings of the company's gold-copper mines in the Chibougamau area of Quebec. Last year mine operating profits rose to C\$11.2m (58.6m) from C\$6.5m. But Northgate ended up with a net loss of C\$2.2m or 19 cents

er share compared with a profit of

the holding in Whim Creek ther reduced to USS24m by the sale in Nova Scotia has begun initial op-Consolidated.

However, the long-term debt was reduced to US\$35m in 1985 from US\$49m, helped by a C\$21.2m issue of common shares and gold purchase warrants.

A rescheduling of the remaining debt reduced annual repayments • Rio Algom, the Rio Tinto-Zinc copper and 2,400 tonnes of zinc also CS2m in 1984 when there was a gain from US\$6m to US\$1m until 1993. group's Canadian arm, says its new

of the holding in Tara Exploration erations. It is expected to achieve

and Development Mr Pat Hughes, Northgate chairman, says in the annual report that bank debt is now "at a very man-ageable level" and the company is

on a sound financial footing."

normal working by mid-year at a total cost below the budget of CS170m.

Average annual output for the first 10 years is expected to be 4,400 tonnes of tin contained in concentrates together with 1,500 tonnes of

March 1986

Banca del Gottarda

Österreichische Länderbank

Aktiengeselischaft



U.S. \$1,000,000,000

The Mitsubishi Trust and Banking Corporation **London Branch** 

Certificate of Deposit Issuance Program

Dealers

Merrili Lynch Capital Markets Morgan Stanley International Salomon Brothers International Limited Shearson Lehman Brothers International

Arranged by

Salomon Brothers International Limited

#### INTL COS

## **Petrobras** gains fail to match inflation

PROFITS at Petrobras, Brazil's state oil company, failed to keep pace with inflation last year due argely to the adverse effect of gov ernment-imposed price controls.

Net profits were 11,000bn cruzei-ros, compared with Cr 1,100bn in 1984. In dollar terms - more meaningful for a company which imports 40 per cent of Brazil's domestic oil consumption, profits rose from \$369m to \$1.05bn. This 184 per cent inflation rate last year of 234 per

Consolidated sales for Petrobras its six subsidiaries and related com-panies totalled Cr 115,500bn, com-pared to Cr 36,000bn in 1984.

derivatives and alcohol were al-lowed to increase by only 132 per cent and 147 per cent respectively last year. Petrobras said this affect ed its casb flow, level of deot and consequently its performance, par-ticularly in the second half of the

All the Petrobras subsidiaries ex anded their operations and closed the year with positive results. The subsidiaries include petrochemical companies, distributors and minng, treding, fertilisers, exploration and drilling concerns.

With the fall in international oil rices, this year's balance sheet umption reached 964,000 harrels a day in 1985, at an average import rice of \$28 per barrel, but Petrores bas reduced its purchase price to \$16-\$17 per barrel up to March. Whether any savings will be bassed on to the consumer has not

yet been decided.

NOTICE OF REDEMPTION

To the Holders of

The Broken Hill Proprietary Company Limited 10% Debentures Due 1990

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture, dated as of May 1, 1975, under which the above described Debentures were issued, Debentures, aggregating U.S. \$1,000,000 principal amount; have been selected for redemption on May 1, 1986, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of U.S. \$1,000, as follows:

11 ... 14 ... 54 -... 71

tender for the payment of public and private dents. Said Departures, will be fact, the destruction thereof with all courons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b) subject to any laws or regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London. Paris and Tokyo, of Credito Romagnolo S.p.A. in Milen and Rome, of Bank Mees & Hope NV in Amsterdam and of Krediethank S.A. Luxembourgeoise in Luxembourg. Payments at the offices referred to in (b) above shall be made by check drawn on, or transfer to a dollar account maintained by the Holder with, a bank in The City of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to States may be subject to reporting to the United States Internat Revenue Service (18.3) and to backup withholding of 20% of the gross proceeds if payees who are not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Coupons due May 1, 1986, interest their cause to accurage on the Debentures heirs in designated.

On and after May 1, 1986, interest shall cease to accrue on the Debentures herein designated

THE BROKEN HILL PROPRIETARY COMPANY LIMITED

Dated: April 1, 1986

This announcement oppeors as a matter of record only

New Issue



Danish Kroner 200,000,000 93/8 per cent. Guaranteed Notes 1991

Guaranteed by

THE KINGDOM OF SWEDEN

Svenska Handelsbanken Group

Banque Bruxelles Lambert SA

PKbanken

Commerzbank Aktiengesellschaft

Den Danske Bank

Banque Internationale à Luxembourg S.A. Berliner Handels- und Frankfurter Bank Chemical Bank International Group Copenhagen Handelsbank A/S

Crédit Lyonnais **Deutsche Bank Capital Markets Limited** Enskilda Securities, Skandinaviska Enskilda Limited Générale Bank Kredietbank International Group Hambros Bank Limited Privatbanken A/S

Westdeutsche Landesbank Girozentrale

TEOLLISUUDEN VOIMA OY (TYO Power Company US\$100,000,000

Floating Rate Notes due 2004
Notice is hereby given that the
Rate of Interest for the first
Interest Sub-period of the Interest Sub-period of the Interest Period ending on 9th July 1986 has been fixed at 71% per annum. The amount payable for the first Interest Sub-period will be US\$61.46 and will be payable together with the amounts for the second and third Interest Sub-periods of the said Interest Period on 9th July 1986 against surrender of Coupon No. 9. or Coupon No. 9.
Manufacturers Hanover Limited
Agent Bank

PAN-HOLDING SOCIETE ANONYME Luxembourg

As of March 31, 1986, the unconsolidated net asset value was US\$225,627,730.22, i.e. US\$322.33 per share of US\$50 par value.

The consolidated net asset value per share amounted, as of March 31, 1986, to US\$334.91.

ENERGY RESOURCES & SERVICES INCORPORATED

> Net Asset Value 31st Marth 1986 \$7,29 per share (unaudited)

STOCKHOLOERS FAR EAST INVESTMENT INC.

Net Asset Value 31st March 1986 \$3.79 per share (unaudited) These Notes having been sold, this announcement appears as a matter of record only.

## **TD Mortgage Corporation**

(Organised under the laws of Canada)

Cdn \$50,000,000

10% Guaranteed Notes due April 3, 1991

Unconditionally guaranteed as to payment of principal and interest by



### THE TORONTO-DOMINION BANK

(a Canadian Chartered bank)

McLeod Young Weir International Limited

Salomon Brothers International Limited Morgan Stanley International

Banque Bruxelles Lambert S.A.

**Banque Paribas Capital Markets Limited** 

Daiwa Europe Limited

**Dominion Securities Pitfield Limited** 

First Interstate Capital Markets Limited

Genossenschaftliche Zentralbank AG Vienna

Goldman Sachs International Corp.

Kleinwort, Benson Limited

Marrill Lynch Capital Markets

Nomura International Limited

Shearson Lehman Brothers International

S. G. Warburg & Co. Ltd.

April, 1986

Banque Générale du Luxembourg S.A.

Credit Suisse First Boston Limited .

**Deutsche Bank Capital Markets Limited** 

EBC Amro Bank Limited

Generale Bank

Girozentrale und Bank der österreichischen Sparkassen AG Hambros Bank Limited...

Kredietbank International Group

Tha Nikko Securities Co. (Europe) Ltd.

**Orion Royal Bank Limited** 

Swiss Bank Corporation International Limited Wood Gundy Inc.

Yamaichi Intarnational (Europe) Limited.

£100,000,000



Floating Rate Notes Due 1998

Interest Rate

117/16% per annum

Interest Period

3rd April 1986 3rd July 1986

Interest Amount per £10,000 Note due 3rd July 1986

Credit Suisse First Boston Limited

Agent Bank

£285.1\$

NOTICE OF REDEMPTION US\$100,000,000

MANUFACTURERS HANOVER OVERSEAS CAPITAL CORPORATION

135% Guaranteed Notes due May 15, 1987

NOTICE IS HEREBY CIVEN to the bolders of the above outstanding Notes that pursuant to the provisions of Section 4(c) of the Fiscal Agency Agreement, the Issuer intends to redeem on 15th May, 1985 all of its outstanding Notes at a redemption price equal to 100% of the principal amount thereof plus accrued interest of US\$136.25 for each \$1,000 principal amount. \$1.000 principal amount

\$1,000 principal amount. Payments will be made on or after 15th May, 1986 against presentation and surrender of Notes with coupons due 15th May, 1986 at any of the following offices: Manufacturers Hanover Limited, 7 Princes Street, London EC2P 2EN; Manufacturers Hanover Bank/Belglum S.A./N.V., 13 Rue de Ligne, B-1000 Brussels; Manufacturers Hanover Bank Luxembourg S.A., 39 Boulevard Prince Henri, Luxembourg; Manufacturers Hanover Trust Company, Bockenbeimer Landstrasse 51-53, Frankfurt am Main; Manufacturers Hanover Trust Company, Stockerstrasse 33, Zurich; Manufacturers Hanover Trust Company, Corporate Trust Department, 600 Fifth Avenue, New York, N.Y. 10020. Interest will cease to accrue on the said Notes as from Interest will cease to accrue on the said Notes as from 15th May, 1986.

MANUFACTURERS HANOVER LIMITED Fiscal and Principal Paying Agent

8th April, 1986

#### Central American Bank for **Economic Integration** (CABEI)

U.S. \$20,000,000 Floating Rate Serial Notes due 1994

For the six months 9th April, 1986 to 9th October, 1986 In accordance with the provisions of the Notes, notice

is hereby given that the rate of interest has been fixed at 7 mper cent. per annum, and that the interest payable on the relevant interest payment date. 9th October, 1986 against Coupon No. 15 will be U.S. \$250.10.

> The Industrial Bank of Japan, Limited Agent Bank

NOTICE OF PREPAYMENT

THE TOYO TRUST AND BANKING COMPANY, LIMITED (Incorporated with limited liability in Japan)

U.S.\$10.000,000 Redeemable Negotiable Floating Rate

Dollar Certificates of Deposit Certificates No. FR 000066 to FR 900075 issued on 28th April 1983

Maturity 30th April, 1987, Callable In April, 1983 - Maturity 30th April, 1987, Callable In April, 1986 - Notice is hereby given in accordance with the conditions of the above Certificates of Deposit (the "Cartificates") he pinited on the reverse of the Certificates that The Toyo, Trist and Banking Company, Elmited (the "Bank") will propay, all the outstanding Certificates on 30th April, 1986 (the "Prepayment Date"), at their principal amount.

Payment of the principal amount together with account interest to the Prepayment Date, will be made on the Prepayment Date against presentation and susresidence the Certificates at the London-Branch of the Bank at Bucklersbury House, 5th Floor, 83 Cannon-Street London Economics. interest will ceese to accrue on the Certificates on the Prepayment.

# Net foreign bond sales by Tokyo insurers in March

BY YOKO SHIBATA IN TOKYO

ril 8 <sub>1986</sub>

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rited

JAPANESE life insurance companies sold \$800m more foreign bonds than they purchased in March, marking the first month of net sales since November last year, according to the

Among Japanese investors, life insurance companies are the largest buyers of foreign bonds; their outstanding balances at present are worth about Y5,000bn (\$27.76bn).

They had been net buyers of such bonds in December, January and February, at \$6.83bn, \$5.74bn and \$5.99bn respectively.

However, they turned to net sellers in March by stepping up sales of Canadian and Australian dollar-denomonated bonds, valuation losses of which have Among Japanese investors,

lian dollar-denomonated bonds, valuation losses of which have swollen as their prices have valuation losses of which have at their purchase prices at the swollen as their prices have the end of the fiscal year ended fallen relative to the years March 31, 1986.

Japan's tax rules lay down bonds for the time being.

THE LEADING Japanese city second

DELITSCHE MARK

THE LEADING Japanese city banks (commercial banks) have deregulation in Japan. stepped up their lobbying efforts to persuade the anthorities to let them move into the securities business.

For the first time, 12 of the securities industry. Brought banks have issued an into force under the post-war

For the first time, 12 of the securities city banks have issued an into force under the post-war "unified view" on the reform US occupation, it set out to of Article 65 of the Securities encourage what was then a and Exchange Law, Japan's weak industry by prohibiting banks from dealing in securities other than government the

of Article 65 of the Securities and Exchange Law, Japan's equivalent of the US Glass-Steagall Act. The Bank of Tokyo did not lend its name to the document.

The banks' move places the could now invite foreign article could now invi

to be drawn between banking internationalisation of finan-and securities business squarely on the agenda of the so-called

At the root of the banks

The MoF recently allowed that if the book value of a life insurance companies to place up to 25 per cent of their total assets in foreign currency-denominated assets with effect from April 1, against previous 10 per cent limit.

The life insurance companies also increased their sales of the companies to the com

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on April

Banks seek broking permits

Those insurance companies to which the 15 per cent rules apply have resorted to sales of some of their foreign bond holdings in order to be able to write our losses on the book value within the fiscal year ended on March 31. They are boping to depreciate the losses in the current business year.

Despite the avarage 3 per cent yield differentials between Japanese and US bonds and a relativaly stable yen/dollar ex-changa rate, the life companies are cautiono about increasing their investments in foreign

Partly to forestall such argu-

ments, the MoF has insisted that foreign banks such as Deutsche Bank and Citicorp to which it has granted securities licences should do this business through specified subsidiaries.

The city banks urga the MOF

to let their ovarseas branches apply for local securities licences in New York and

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The issua is being lead-managed by Mitsubishi Trust & Banking Corporation (Europe), marking whot is believed to be tha first time position is their fear that failure to amend or repeal Article 65 could lay them open to growing competition from those foreign banks which have been granted permission to engage in Japanese securities a Japanese trust bank has

The issue was well recaived

Mitsubishi Trust is shortly to establish a separate London operation, called Mitsubishi Trust International, to take a

#### Euroyen soar to Y1,600bn

Finance (MoF) said.

It ascribed the npsurge to the relaxation of regulations being put into effect by the

ations in other countries to float Euroyen bonds for the first time in December 1984.
Before then, only governments and international organisations had had authorisation to offer Kuroyen bonds.

#### Fl 398m rights planned by **Amrobank**

By Our Financial Staff

#### **US QUARTERLIES**

Paper, paper products		
First quarter Revenue Net profits Net per shoro	1986 \$ 457.6m 11.5m 0 64	
HARRIS STEEL		
Year Revenuo Net profits Net per shore	CS	
HOUSING INSURENCE	_	
First quarter Revenue Not profits Net ger share TURNER BROADCASTIN Cable TV	4.5m 0 25	<u>C.23</u>
	1985-85	1984-95

#### Convertible is first for Japanese trust banks

MITSUBISHI Trust & Banking Corporation yestarday became the first Japanese trust bank to launch a convertibla Eurobond, with a

Japanese banks were allowed to issue long-term convertible debt abroad for the first time last year, and six city banks (commercial banks) have since raised \$620m in this way. Official guidelines allowed for the city banks to tap the market before the trust banks.

Mitsubishi Trust, which has a triple-A rating, is issuing 15-yaar bondo with an indiand conversion premium of about 5 per cent. Final terms will be set April 17. The issue is caliable from 1989 at 104 and thereafter at declining premia.

Eurobond.

trading at 102. The lead managar said only a small amount had been placed in Japan and that European demand was strong.

more activa rofe in the Enro-bond market.

# Offerings in

EUROYEN BOND offerings by foreign governments and corporations surged in the fiscal year ended March 1986. AP-DJ reports from Tokyo. This was more than triple the level seen in the previous 12 months the Ministers of

In the first 11 months of the financial year there were 79 offerings worth Y1,549bn (\$8.6bn), far surpassing the 25 issues made in 1984-85 amounting to ¥528.5bn,

The MoF is now compillog data for March, but the min-istry said the total for the 1985-86 fiscal year is likely to exceed Yl.600hn,

Japanese Government in order to promote the use of the yen in international financial transactions and to defuse frictions with the US and other countries over what is perceived to be excessively stringent restrictions on the Japanese financial markets.

The Japanese Government, for instance, allowed corpor-

warrants to raise around for 298m (\$148m) is planned by Amstardam Rotterdam Bank (Amrobank) one of the biggest commarcial banking granps in the Nether-

The announcement less than a week after Nederlandsche Middenstandsbank, a major rival to Amro, disclosed plans for a F1 140m rights issue. Amro's terms are oue-for-ten at F1 96 a

Amro recently reported a 35 per cent increase in net profits to FI 340m for 1985, and propused an extra 50 cents of dividend at FI 4.20 a share. These closed yestarday at FI 107.

Five new rights shares will carry one warrant, giving the right to one Amro share of FI 115 in the period May 1986 to December 1989.

	Paper, paper products		
	First quarter Revenue Nat profits Net per shoro	11.56	<i>( 3</i> )71
	HARRIS STEEL.		
	Year Revenuo Net profits Net per shore KAUFMAN AND BROAL	CS 284.4m 9.4m 0.91	1984-85 C\$ 172.4m 2.9m 0.31
	Honeiub iusateuco		
	First quarter Revenue	4.5m 0.25	5 151.8m 4 Sm 0.23
ł	TURNER BROADCASTIN		
- 1			1984-95

## Currency move lifts French issues

i bonds but failed to impress her markets with currencies 1d Dutch guilder.

Secondary prices in the rench franc Eurobond market lot up by two points in many ases, and three points on some onds, in buoyant trading in the ake of the weekend devaluaankers said that bid prices aly were quoted on most issues a dealers besitated to sell in he expectation of further price

ises.

The devaluation, coupled with package of economic measures innounced over the weekend, was expected to result quickly the EMS realignment and eased allower frames. nnounced over the weekend, D-Mark bonds shrugged off Nordie Investment Bank brought a perpetit ras expected to result quickly the EMS realignment and eased a launched a SFr 300m perpetual coupon payment a lower French interest rates. Slightly in moderate volume. bond, with Banque Gutzwiller, Francs. The SF Last week'n floating rate note Westpac Banking of Australia Kurz, Burgener and Morgan pays 5; per cent.

EWEEKEND realignment in issue for CNT was bid at 102? launched its first D-Mark bond Stanley as lead managers, be European Monetary System as against a 100; issue price, issue, for DM 250m, with Coupon payments will be in MS) provided a boost for and the recent deal for Trust-Commerciank and Westpac dollars at 7; per cent for the

next couple of days. In the Ecu market prices rose by up to a point amid mainy professional trading. Some switching out of D-Mark bonds was detected. Bankers said that, although no new issues appeared yesterday, they expected a flurry of issues once swaps became easier to arrange. Ecu interest rates are also

ench franc and Ecu-denominable bouse Forte stood at 101; bid. Itself as lead managers. The second issue of the April the EMS, such as the DMark for the Republic of Finland is expected to be launched in the care. expected to be launched in the late in the day, but was thought of 22 per cent.

In the Swiss Franc market tradiog was quiet and prices eased slightly as bankers reported a surfer of new paper. Undeterred, three borrowers issued perpetual bonds, two incorporating the feature of coupon payments in dollars which has become something of a new issuing clicke in this market.

first ten years and thereafter at 50 basis points below the prevailing rate for 10 year US Treasuries. The exchange rate is set at SFr 1.996 to the dollar. There are borrowers' call and to be trading well within fees Investors' put features every

ten years. On the same lines, but with coupons of 71 per cent and a to the dollar, Standard Oil of Ohio launched a SFr 200m bood. Lear manager Sorditic SA said that the fact that the did not adversely affect the reception of the issue.

KLM Royal Dutch Arrlines brought a perpetual issue with coupon payments in Swiss Francs. The SFr 200m bond

## Dismal start to week for Eurodollar sector

BY OUR EUROMARKETS STAFF

SELL-OFF of US Treasury oonds in Tokyo yesterday morning and later in Europe and New York provided a and New York provided a lismal start to the week for follar Europouts. Price falls in Europe were about a point years, and last week's new offerings were floundering, with Friday's \$100m issue for Eampbell Soup quoted 2: controlled by Brokeo Hill Propriets below issue price. Clare Peorson stries.

eorson urrires. Nevertheless, traders continued to feel that there was in underlying builtsh tone in the market which should make tself apparent later this week. The New York market was beginning to recover as London

the Eurodollar market. Thase that offered an alternative to the bevy of straight fixed rate and resources company.

Lead managers are Credit Suisse First Boston and Bank of Tokyo International. The issue refinances an existing FRN due to be redeemed in May and forms part, with a Euronote facility and loans, of a larger funding package,

The 10-year bond pays interest at five basis points over six-month London inter-bank offered rate and is priced bonds launched last week fared at 100.15. Fees total 22 basis cent and a seven-year maturity, Royal Bank, it has a 13; points. There is a call option priced at 100.1. The bond is call-cent coupon and 101 pricing.

rate of 10 per cent of the issue amouot per year. The bond was quoted above

the issue price. Suotory, the Japanese wice and spirits manufacturing and restaurant company, launched a \$85m zero-coupon bond, guaranteed by Sanwa Bank. Toe seveo-year non-callable bond was priced at 60.28 per cent to give a yield inclusive of fees of about 35 basis points over comparable Trasuries.

Some traders thought this was tight Lead-manager Credit Suisse First Boston quoted the bond just within the fees.

In the straight fixed rate sector, Citicorp launched a \$150m issue with a coupon of 8 per

Queensland Coal Figure on up to \$40m at par this May able after four years at par. took advantage of the sourcity and next, and thereafter on the Salomon Brothers, the lead-of new paper in the double amount. There is the manager, quoted the bond at rate note sector to lauged a option of partial redemption at less 25 yesterday afternoon, outside fees of 1; per cent. The bond was thought to suffer from reluctance among investors to buy US bank debt at the moment.

CEPME, the French financing agency for small and mediumsized businesses, is raising \$100m with a 1-r-year deal brought out late in the day by Salomon Brothers. It has a 75 per cent coupon and a price of 1001, giving a spread over Trea-suries of 45 basic points.

Avco Figancial Services, 20 Australian uoit of the US comlaunched a AS40m deal with a seven year maturity, cuite loog for the sector. Led by Orlon Royal Bank, It has a 13; per

## Screen system considered for Eurobonds

THE Association of International Bond Dealers (AIBD) ing of the AIBD in Singapore is planning a joint study with the National Association of Securities Dealers (NASD) on setting up a screen-based quotation and trading system for the Eurobould market.

A proposal for the study, on the study, on the study of the s

A proposal for the study, on new self-regulatory structure a much more ambitious scale being formed for London than that previously envisaged, securities markets.

offer of co-operation.

The cost of the NASD study is a major reason wby the AIBD parable professional bodies.

MARCH 1986

NEWISSUE

These Shares have not been registered under the United States Securities Act of 1933 and thay not be offered or sold in the United States of America, its territories, its possessions or areas subject to its jurisdiction or to tritzens or residents thereof. This announcement appears as a maner of record only

U.S. \$80,000,000



## **Hawley Group Limited**

(Incorporated with limited liability in Bermuda)

8%% Convertible Cumulative Redeemable Preference Shares 2001

Available in the form of International Depositary Receipts

Credit Suisse First Boston Limited

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EBC Amro Bank DG Bank HandelsBank NW (Overseas) Ltd

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Schweizerische Hypotheken- und Handelsbank

The Nikko Securities Co., (Europe) Ltd.

Vereins- und Westbank

1212

# **Outokumpu Oy**

has acquired

Tara Exploration and **Development Company Limited** 

The undersigned acted as financial advisors to Outokumpu Oy in this transaction.

Prudential-Bache

Prudential-Bache Trade Corporation



#### A/S EKSPORTFINANS

(Forretningsbankenes Finansierings-og Eksportkredininstitutt) (Incorporated in the Kingdom of Norway with limited liability)

U.S. \$50,000,000 141/2% Notes Due 1989

NOTICE IS HEREBY GIVEN that pursuant to Condition 3(c) of the Notes, A/S
Eksportfinans has elected to redeem on May 8, 1986 (the "Redemption Date")
all of its outstanding 141%, Notes due 1989 (the "Notes") at 1011%. On and
after the Redemption Date, interest on the Notes will cease to accrue, The
value of each Note is US\$1,015 plus interest of US\$3.21 total US\$1,018.22. Payment will be made upon surrender of the Notes together with all coupons manuring after the date fixed for redemption, at the offices of the Paying Agents as shown on the Notes. Notes will become void unless presented for payment within a period of ten years from the Redemption Date.

Outstanding after May 1, 1986 US\$24,000,000.

April 8, 1986 y Citibank, N.A. (CSSI Dept.) ondon Paying Agent

CITIBANC

The Floating Rate Note Department of

Shearson Lehman Brothers International

has commenced principal dealing in

**Sterling Floating Rate Notes** 

effective April 1, 1986

Telephone: 283-4321

All these securities having been sold, this announcement appears as a matter of record only.

**NEW ISSUE** 

February, 1986



## AB SVENSK EXPORTKREDIT

(SWEDISH EXPORT CREDIT CORPORATION)
(Incorporated in the Kingdom of Sweden with limited liability)

Japanese Yen 10,140,000,000 6.625 per cent. Bonds Due 1996

ISSUE PRICE 102 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

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**Daiwa Europe Limited** 

Mitsui Trust Bank (Europe) S.A.

Prudential-Bache Securities International

**Bank of Tokyo International Limited** 

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Saitama Bank (Europe) S.A.

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Nippon Credit International (HK) Ltd.

Sumitomo Trust International Limited

Svenska Handelsbanken Group

Takugin International Bank (Europe) S.A.

Union Bank of Switzerland (Securities) Limited

Yasuda Trust Europe Limited

## INTL. COMPANIES & FINANCE

## New A\$2bn Bell offer for BHP

BELL RESOURCES, Mr Robert higher in Sydney at A86.58 This follows Bell's decision to validity and his last bid for Holmes a Court's energy invest-ahead of details of the latest seek equity funding for the bid the company had been invalid, meet vehicle, yesterday expected bid. launched a further partial bid for Broken Hill Proprietary (BHP), Australia's largest com-

He is offering up to A\$2bn (US\$1.44bn) to lift his holding to as much as 40 per cent from his current entitlement of some 18 per cent. The bid, in con-trast to previous forays, has been made all in cash. It is priced at the same

A\$7.70 per share level which Mr Holmes à Court proposed paying earlier this year. That attempt foundered amid a series of legal actions brought by BHP, but coincided with a decline in the share price of the target company as world oil

lieved the offer was in placement which would require adequately priced and, because shareholder approval. of the cash ceiling and degree of financial details, was as de-ficient as the bid withdrawn

The company is expected to

return to the courts in an effort to halt the bid, which is formally targeted at 50 per cent of each remaining shareholding but financially capable of winning only 26 per cent of each holding. All acceptances will be returned should Bell find more than 259.74m shares ten-

dered to its offer.

BHP's chances of upsetting the financing of the offer by using its 0'-n newly established alues fell.

Sharebolding base As Bell ReBHP shares closed 2 cents sources bas been diminished.

BHP said last night it be- A\$700m rather than through a

Corporation International, Ord Minnett, Lazard Brothers, and Minnett, Lazard Brotners, and While a successful om to Banque Paribas Capital Markets.

Banque Paribas Capital Markets.

Their commitment is condiper cent of each shareholding per cent of each shareholding would require A\$3.9bm.

Well achieving success

In launching the bid in Melbourne yesterday, Mr Holmes a swas possible about financing as was makes do not have much

Bell's minimum acceptance condition in the bid for 230m more BHP shares would take Of the issue, A\$370m has the group entitlement to amost been underwritten by an international group: Swiss Bank maximum acceptance condition has been set at 259,74m shares, worth A\$2bn at the bid price, while a successful bid for 50

within a few weeks.

In launching the bid in Melbid provided as full a disclosure to the bourne vesterday Mr Holmas.

#### Australian authorities veto **Hoover bid for Simpson**

HOOVER, the US-owned household appliance maker, is to Email, the Australian com-persevere with attempts to pany which is Hoover's oppo-increase its presence in the nent in the battle for Simpson, Australian white goods industry eeems likely to succeed, having despite a decision yesterdey by the Foreign Investment Review Board (FIRB) to veto its Board (FIRB) to veto its Hoover's advisors, warned A\$53m (US\$38m) bid for Simp- bowever, that the company was sen Holdings.

The FIRB said last night that Hoover's A\$1.70 a share offer for Simpson had been rejected of the takeover would not offset

Email, the Australian com-pany which is Hoover's oppoyesterday agreed to match Hoover's offer price.

contemplating other courses, The FIRB said the decision to reject the Hoover offer bad been made in light of the re-structuring of the white goods industry and the fact that an the extent of foreign ownership Australian company had decided in the industry that would to match Hoover's terms.

#### Brierley sells most of North Broken Hill holding

Mr Ron Brierley's Australian company, has sold most of its A\$200m (US\$143.6m) -bolding in North Broken Hill Holdings to the investment affiliate of ... New Zealand Forest Products. The deal apparently resolves the ownership tangle created by en earlier court ruling to vest a disputed part of IEL's sharepanies and Securities Commis-

Rada Corporation, 49 per cent owned by NZFP, agreed to buy a 149 per cent stake in North

NDUSTRIAL EQUITY (IEL), BH et A\$2.70 a share and was mediately offered two board seats with the mining and paper group. The sale of EL's remaining 4 per cent stake is being negotiated with other parties.

Mr Brierley said yesterday he was "happy about the sale in so far as it represents the

partial resolution of a very dif-ficult situation—that's about it." Asked how the deal with Rada was done, given that a 7 per cent parcel of shares in North BH was vested by court order with the NCSC. Mr Brierley, said bluntly: "We sold them."

Philippines to

## KLSE lifeboat proposal fails

BY WONG SULONG IN KUALA LUMPUR

THE Kuala Lumpur Stock Exchange (KLSE) has failed to win members' approval for a 50m ringgit (\$18.8m) financial lifeboat from Maleysian com-mercial banks to belp stock-brokers who are io trouble over forward share purchase eoc-

At an extraordinary meeting,
70 per eent of those present
voted io favour of the fund,
short of the 75 per eent required

supporter of the fund, expressed disappointment over the result but said another meeting would be held in three weeks et which the subject would be debated agaio. He said about 27 of the 133

for its implementation.

Mr Nik Mohemed Din, the ing firm which makes use of are said the fund would be required to tracts.

PUTCO, the South African bus company whose operations are largely based on carrying black commuters, suffered a sharply extended and that further fare increased deficit in the balf year to December even though the state provided additional subsidies to cover losses which are as township upper led to shire which are frequently present are one of the principal business are particularly preneurs are one of the principal business are stownship upper led to shire which are frequently preneurs are one of the principal business are provided additional subsidies to cover losses which are frequently preneurs are one of the principal business are provided and that further fare black commuter services, minimum are one of the principal business are particularly preneurs are one of the principal business are provided and that further fare black commuter services, minimum are one of the principal business are particularly preneurs are one of the principal business are provided and that further fare black commuter services, minimum are one of the principal business are particularly preneurs are one of the principal business are provided.

arose as township unrest led to curtailment of services.

On revenues of R145m (\$69.4m) against R12im, the ships which are frequently Putco's interim loss per share remote from workplaces — and was 74.4 cents against 9 cents are often accompanied by at the half-way stage last year wident action by communers.

(\$69.4m) against R121m, the ettributable loss rose to R19.7m from R2.4m in the corresponding period of 1984 and R8.4m in the last full year.

The directors say operations for last year as a whole. An informal private sector operations of minibuses and illegal there was an interim dividend. The state subsidised Putco's taxis. Although the Governormal private of 3 cents, but no final dividend.

the current year and says that efforts to penetrate additional

electronics markets have been successful. He says further acquisitions and vigorous inter-

nal growth are envisaged by

Earnings per share increased

to 482.2 cents from 401.5 cents and the dividend has been

raised to 150 cents from 125

**Acquisition boosts Altech** 

ALLIED TECHNOLOGIES (Altech), the Sout b African electronics and electrical company, has maintained its strong growth record, helped by the acquisition of Motorole's South African business.

Turnover rose to R493.3m (\$236m) in the year to February (\$236m) in the year to February

BY OUR JOHANNESBURG CORRESPONDENT

(\$236m) in the year to February from R410.7m and the pre-tax profit increased to R39m from

Last year management feared that deferral of government orders would adversely affect

the year's trading. The deferrals did not matertalise, probably because military spending con-tinues to receive priority treat-ment, although the curtailment

of post office spending curbed cents.

Sharply higher loss at Putco

the banks, while those which do not use the facility have to provide a guarantee of not more than 1m ringgitt.

Firms which use the facility have to contribute at least half stockbrokers did not attend the meeting, and be was confident many of them would be won over for the lifeboat fund once the matter had been fully of the facility has been drawn.

It is believed that five of the It is believed that five of the Under its terms, a stockbrok- 51 Malaysian stockbroking firms

INSTITUTO NACIONALE DE

INDUSTRIA .

US\$150,000,000

Floating Rate Notes due 2009

Notice is hereby given that the Rate of Interest for the first interest Period ending on 9th October 1986 has been fixed et 71% per annum. The amount-payable for the first interest Sub-period will be US\$186.42 in respect of the US\$10,000 denomination and US\$4,660.59 in

denomination and US\$4,660.59 in respect of the US\$250,000 denomination and will be pay-able together with the emount

for second interest Sub-period of the said interest Period on 9th October, 1986 against sur-

Agent Bank

turers Hangver Limited

#### sell copper smelter stake THE PHILIPPINE state-

owned National Development
Company (NDC) is to offer
its 42 per cent equity stake
in Philippine Associated
Smelting and Refuing Smelting and Refluing (Pastr) to the private sector. This was aunounced by Mr. Jose Conception, Trade and Industry Minister, who is

Industry Minister, who is NDC's chairmait.

Pasar, the country's only copper smelter-reliner, is located in Isabel on Terte Island, east central Philippines. It has three Japanese tribing houses as partners.

Marubeau, Corporation with a 16 per cent interest, Samitomo Corporation with 5.6 per cent and C. Itoh with 5.4 per cent. The International Eh Corporation in offshoot of the World Bank, has 5 per-cent with the remainder held by local copper pro-

NDC is also expected to

seft its 60 per cent hold in Negros Copperfield,

#### NOTICE TO BONDHOLDERS US\$25,000,000 REDLAND FINANCE N.V. 91/2% GUARANTEED BONDS

In accordance with condition 5 (8) of the conditions attaching to the Bonds, notice is hereby given that the Company will redeem all of the outstanding bonds, being US\$7,331,000 nominal emount at 101% on May 8, 1986 when interest on the bonds will cease to accrue. Payment of principal, together with May 8, 1986 encounting to US\$13.99 per US\$1,000 Bond will be made on or after May 8, 1986 upon presentation and surrender of the said Bonds with all coupons appertain ing thereto at the office of any of the Paying Agents me therean.

April 8, 1986 THE CHASE MANHATTAN BANK NA. LONDON, PRINCIPAL PAYING AGENT.

This announcement appears as a matter of record only. The Notes have not been registered for offer or sale in the United States.

Offers and sales of the Notes in the United States or to United States nationals or residents may constitute a violation of

United States law if made prior to the 90th day after a determination that the distribution has been completed. NEW ISSUE

## El First Interstate Bancorp

U.S.\$60,000,000 FLOATING RATE FOREX-LINKED NOTES DUE 1996

Issue Price 100%.

The Nikko Securities Co., (Europe) Ltd.

First Interstate Capital Markets Limited

Goldman Sachs International Corp.

Daiwa Europe Limited Morgan Guaranty Ltd

Kyowa Bank Nederland N.V. S. G. Warburg & Co. Ltd.

## Reebok boost as Pentland profits jump to over £40m

INCLUDING a contribution of For 1985, Reebok made pre-£12.5m from Reebok Interna-tax profits of £54.04m (£10.5m) tional — formerly n subsidiary hut an associate since last July pre-tax profits of Pentland Industries, industrial holding concern, jumped from £12.9m to £40.24m for 1985. Turnover more than doubled from £115.3m to £246.4m.

The dividend is, in effect, into 150 with a small present into 150 with 150 with a small present into 150 with a small present into 150 with 150 wit

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A Company

35

to 1.5p with a final payment creased from an edjusted 0.867p of 1.16p.

of 1.16p.

After tax of £18.42p, compared with £5.28m, earnings per 10p share are given as 35.29p against 10.69p.

The directors say that earnings for the first quarter of the current year bave pro ratu, significantly improved over those for the second balf of 1985, and they believe 1936 should be a year of substantial progress.

progress.
Last July Pentland reduced its holding in Reebok from 55.5 per cent to just over 40 per cent in a public offering of

from turnover up from £56.9m to £212.4m.

Moving Reebok from subsidiary

#### comment

to associate status obviously makes n mess of pre-tax com-parisons but at the attributable parisons but at the attributable line its contribution to Pentland's earnings has shot up from around £3m to £124m. It makes the rest of the group, which actually doubled profits to £4m after tax, look singgish by comparison. Clearly n point will be reached when Reebok's phenomenal growth tails-off but it has already demonstrated that it can move into mature that it can move into mattire footwear markets from a standing start and become a leader. For example, it started selling tennis shoes in the US in 1984 and now has the number one slot. At the beginning of this year Reebok sold its fast pair of backers with the selling tennis of the started tennisms. per cent to just over 40 per cent in a public offering of shares.

There was a non-distributable surplus for 1985 of £11.1m which has been credited directly to reserves and represents the company's share of the increase in the reserves of Reebok arising from the issue of new shares at a premium.

Below the line, there were minority debits of £5.4m, and an extraordinary profit of £2.88m (mil) being the net surplus on the realisation of investment in subsidiary and associate companies.

Solve the there shows sold its £35 pair of basket hall shoes—a hig market accounting for almost 30 per cent of all sports footwear. History could repeat itself and then there is Reebok overseas. With £14m of cash Pentland is complement its non-Reehok activities—a fair spread with about 15 trading companies. Solve the postfolio pre-tax profits could reach £50m this year for a 70 per cent leap in eps to 60p. After yesterday's 20p slide to 510p the prospective p/e drops in the prospective profits could repeat itself and then there is Reebok overseas. With £14m of cash Pentland is complement its non-Reehok activities—a fair spread with about 15 trading companies. But the department of all sports footwear. History could repeat itself and then there is Reebok overseas. With £14m of cash Pentland is complement its non-Reehok activities—a fair spread with about 15 trading companies. But the there is Reebok sold its £45t pair of almost 30 per cent of all sports footwear. History could repeat itself and then there is Reebok overseas. With £14m of cash Pentland is complement its non-Reehok activities—a fair spread with about 15 trading companies. But the templated accounting for almost 30 per cent of all sports footwear.

#### Aidcom looks to 1986 for a continuation of growth

Aidcom International, a mar- Talks are currently taking ket research, design and product development company, returned pre-tax profits of £1.28m for 1985 from a turnover of £26.1m.

The previous accounting period covered 14 months but the results have been annualised and at £1.27m and £20.38m respectively represents 12/1425

of the results.

A dividend of 1.1p (0.85p adjusted) is being paid from earnings per 10p share of 3.45p (2.8p).

marketing and

place for a possible £600,000 takeover in the US in the design area.

Aidcom . International's figures Altcom international's ingures fell a long way short of those expected six months ago, but the market was well prepared for the blow and the shares shed just 3p to 46p. The main bugbear was the profits collapse in the market research division There were extraordinary debits of £147,000" (£333,000) graining from the closure of discontinued activities.

The directors are looking to 1986 for continued growth in both turnover and profits.

In February, Aldrom acquired a 90 per cent interest in Paris-based Vepro Copsell, a marketing and market a marketing and market research consultancy, for stowarce and a recovery in statisfied by the issue of 117.207 that profits of fil88,000 in 1985 overall downturn. With much of and is trading well in the current year.

The first quarter of 1986 saw Aidcom's furnover showing an improvement and current trading is described by the directors as encouraging.

With the closure and reorganisation programme now over they are boping to get profits of the market research operations back to former levels in 1986—profits here fell from \$\frac{\text{AIM}}{\text{Technology's}}\$ strong the flowarce and a recovery in satisfied by the issue of 117.207 that much of the spadework on securing the foundations of further growth now complete, and a \$200,000 the \$200,000 the \$200,000 the fillip to the figures from the acquisition of Vepro in January, the current year could provide the £2.4m profits which the City had once hoped to see in 1985.

The prospective p/e ratio of 98 after a 44 per cent tax charge may look conservative, but the operations back to former levels in 1986—profits here fell from \$414,000\$ to £71,000 in 1985.

EFM-a cut above the rest

Results for the year ended 31st January 1986

1985

Operating Income £4-530m £4-945m +9%

Copies of the 1986 annual report are available by writing to Bill Johnstone, Director, at the address below,

4 Melville Crescent, Edinburgh EH3 7JB.

Telephone 031-226 4931

1986

£3.539m £4.120m +16%

6.0p

16.8p +30%

+50%

#### **Midland** buys back part of Crocker

By David Lascelles, Banking Correspondent

Midland Bank is to spend up to \$100m (258.96m) to reacquire the securities trad-ing business of Crocker National Bank, which it has agreed to sell to Wells Fargo Bank for \$1.1bn.

The business which includes Crocker's primary dealership in the US Treasury dealership in the US Treasury bond market, is seen by Mid-land as a vital component of its plans to build up a world-wide securities capability. It is not required by Wells Fargo, which is concentrating on developing a retail and middle market banking busi-ness in California.

ownership to New York. Aside from the US Treasury bond dealership, it includes a municipal bond trading opera-tion and related securities

in a letter to Midland shareholders issued yester-day, Sir Donald Barron, the chairman, says that the en-tire sale price will be paid in cash rather than in a mixture of cash and securities as stated in the original an-nouncement in February.

The agreement also provides for Midland to buy \$495m in international loans off Crocker. The bulk of these (\$150m) are to Brazil, and another \$135m is in the form of trade credits guaranteed by the 115 garanteed. teed by the US government, About \$10m of the total are not performing. These loans are in addition to the \$3bn worth Midland took out of Crocker last year, and represent the remainder of Crocker's international busi-

ness,
The letter reveals that Mid-land will be paying a mini-mum of \$3m to terminate the mum of \$3m to terminate the employment of Mr Frank Cahonet, Crocker's chairman and chief executive, who has a contract extending to March 1989. It is possible that his benefits could total as much as \$4.5m.

A special meeting of share-holders to agree the sale ferms has been called on April 23.

company in a year Halma, safety, security and environmental products group has bought Norgan, Hertford-shire-based maker of sound

BY RICHARD TOMPING

available before the end of the week. But the two companies

**Memory Computer back** middle market banking business in California.

The trading operation, employing about 200 people, is currently located in Crocker's beadquarters in San Francisco, but would probably be transferred under Midland opposition to New York Acid.

> for the six months to September 30 1984. The directors say the group is trading in line with expectations, while the outlook is for continuing progress, particularly in Britain and the Republic of Ireland, where Memory has strong Prime Olivetti and has strong Prime. Olivetti and

In November the directors said that the continuing recession in Ireland had resulted in severe competition and reluctance among purchasers to commit searce funds. They added, however, that Memory's "substantial customer base" served to mitigate these furces giving to mitigate these forces, giving cause for the company to expect bome sales to rise.

Turnover for the 15 months to June 30 last was down from £8.19m to £7.28m, but for the first six months of the current year sales amounted to £3.58m, against £2.13m last time. After tax of £20,000 (£18,000)

After tax of £20,000 (£18,000)
there were earnings per share
shown of 0.04p compared with
losses of 35.8p.

The directors say that group
policy on the premium on the
acquisition of subsidiaries is
being reconsidered and may
result in the adoption of SSAP

BALLIE GIFFORD Japan Trust
made net income of £48,168
(£50,635) over six months to
value per share at period-end
was 388.7p (£58.6p six months
being reconsidered and may
result in the adoption of SSAP

Relations' shares were Valin Chairman of Valin Polleo, suspended at its request at 1762. 25 group chief executive. up 8p, giving it a capitalisation of £14.9m.

The initiative came from Valin Pollen but both companies Details of the deal will not be said yesterday that they saw it wailable before the end of the as a merger, not a takeover.

They will continue to operate

Memory Computer

22, in which case the premiums will be charged directly to re-

Memory recently acquired an

84 per cent interest in Travel-

log Systems, a UK software company which develops and

markets systems for the travel

300

gest public relations company in Britain with a fee income of £5.7m, just abound of Charles Barker with £5.65m.

rax profits of \$4.84m, against

Earnings per 10p non-yoting share came out at 32.48p (24.19p) and the directors are

(25.15p) and the directors are recommending a final payment of 5.1p (6.5p), making a total for the year of 10.5p, com-pared with 8.5p last time.

Sir Compbell Fraser, chairman, says that since 1983 in three consecutive years of

strong growth earnings per share have risen by 46 per cent

from 22.3p despite a rights issue

in 1984. He adds that the improvement in advertising sales

was higher than the network average, signifying a further

improvement in the company's

Programme sales improved by fim to £3.6m, the increase heing matched by a record level of local programme spend-

ing, a rise of about 20 per cent. Sir Campbell adds that in the

light of the results the present year will see substantially in-

creased investment in pro-gramme making and the capital

spending needed to support it. The pre-tax figure was struck

after Channel 4 subscription of 59.41m (£8.09m) and Exchequer

evy of £2.4m [£3,53m). The tax charge was £2,09m (£1.87m).

Last time there was an extra- (1 per cent opted for cash).

share of revenue.

Valin Pollen International, day, is the larger of the two bave Mr Tony Good, chairman Wreford Bayley is listed sepa-orporate advertising and public companies with a market of Good Belations, as its non-rately at number 29 with in-clattons group, has been con-capitalisation of £26.3m. Good executive chairman and Mr Reg. comy of £992,000.

as group chief executive.

According to the latest issue Good Relations, which has sufnewspaper. PR Week, the inousfered badly in the last year as a try Good Relations is the big- result of a series of executive defections. For Valin Pollen, which has

quarter showing an improve-ment of 22 per cent over the

comparable period. Sir Camp-

not expected to contioue, bear-

ing in mind the sluggish start to

He adds that the company welcomes the changes in the rating of xchequer levy—pretax is due to fall from 66.7 percent to 45 per cent with a 225

per cent levy on the previously exempt profits on overseas sales

JURYS HOTEL GROUP, which operates hotels in Duhlm, Cork and Limerick, intends to seek a

full listing on the Irish Stock Exchange in the near future, It

PARK PLACE has 88.5 per cent

of the shares of United Com-puler and Technology Holdings, Acceptances of the offer accounted for 85.7 per cent

-which will benefit results.

Jurys Hotel

beil says the rate of growto

long cherished a presence in the US market. Good Relations' with its first toehold.
However, Mr Valin said this would not weaken his resolve sition in the US of a size which

offer by Valin Pollen.

Valin Pollen.

Skills.

The board of the combined Week table, with fee income of he regarded were down 10p at 205p yester group—so far unnamed—will £1.47m. Its subsidiary McAvoy market. he regards as relevant to the

IN ITS third year of strong ordinary item of £2.04m covered growth Scottish Television saw by a transfer from reserves. txable profits rise by 31 per Since the beginning of the

cent on turnover shead by 14
per cent. Advertising revenue
up by 13 per cent helped turn
over for 1985 increase from
cent over for 1985 increase from
cent over the beginning of the
present year advertising revenue
has been strong an improvement of 22 per cent over the
comparable period. Sir Camp-

**Scottish Television** 

profits advance 31%

#### propeller maker for Vickers

By Lionel Barber Vickers, the engineering to health products manufacturer, is poised to buy a Swedish to huy a Swedish marine engineering company, KaMeWa, at a price of between £13m-£15m.

**Swedish** 

Vickers said vesterday that Vickers said vestering that it had signed a letter of intent with KaMcWa's parent, the Nordstjernan group, a conglomerate with interests in shipping, construction and department stores. Talks are taking place to Sv. a price.

to fix a price.

KaMeWa specialises In making marine propellers.

According to Vickers, the Swedish company has around 30 per cent of the world marine propulsion market, excluding fixed propellers, its annual turnover is around

£50m. Vickers' marine engineering division made pre-tax profits of £4.5m (£6m) on £70m sales in the year to last Fehruary. It was the only division's profits which fell last year, mainly due to the costs of product development. Vickers said.

Vickers said.

The group's marine engineering interests cover stabilisers for ships, ranging from cross-Channel ferries to aicroft carriers, as well as crones and thrust bearings. "KaMeWa is a very good fit for us," said a Vickers spokes-

for us," said a Vickers spokesman.

The rest of the Vickers group made £45m pre-tax on £600m sales in 1985, above market forecasts. In the past nine months, the group's share price has doubled to well above 500p. Last night, it closed at 538p, down 2p, though analysis said this was mostly due to the overall market fail yesterday.

Vickers is still looking for Exchange in the near future, it also proposes to seek additional equity by means of an offer for sale of new shares to the public. The entire proceeds of the offer for sale will be re-invested in the expansion of the company's activities. The Investment Bank of Ireland has been appointed as Issuing house, and J. & E. Davy will be broker to the issue.

Vickers is still looking for a sizeable acquisition—pos-sibly in the US, to strengthen sibly in the US, to strengthen its health products interests. The aim is to make all its six key hus;ness areas—which also include molor cars, lithographic plates, defence engineering and office furniture—equally important. The group employs 15 400. The group employs 15,000 people, with almost two-thirds of its sales outside the UK.

## Valin talks to Good Relations

corporate advertising and public relations group, has been confirmed as the suitor of Good Relations, public relations company, which announced on Friday that it was holding merger talks with an unnamed

solu that if the talks were autonomously under their exist valin Pollen's income is dominated by through an all-share offer by Valin Pollen. Salis of the benefit by exchanging specialist revenue from public relotions skills. The board of the combined week table, with fee more of the combined week table.

in black for first half FOLLOWING losses of 153.62m for the previous 15 months, Memory Computer, the Dublin-based computer manufacturer and distributor, has returned to the black with profits of 1£58,000 (£52,000 sterling) for the 1/2 mooths ended December 31 1985. This is compared with losses last time totalling 52.2m.

Halma buys sixth

## PRESIDENT'S STATEMENT 1986

"The most important event of 1985 was the publication of the Building Societies Bill.

We welcome the challenges offered by the proposed legislation. The paramount aim remains the satisfaction of mortgage demand, backed by a competitive range of services".

#### TECHNOLOGY •

"During the year a further 28 Automated Teller Machines came into operation bringing the total to 31.

The participation with other leading Building Societies in the MATRIX network of A.T.M.'s commenced in February 1986. This network will provide members with access to their accounts at a greatly increased number of locations".

#### SAVINGS AND INVESTMENT •

"A record inflow of funds. Receipts totalled £2,485m, with members' investment accounts increasing from 2.06m to 2.2m".

# "Your Society has the size and strength to compete."

#### MORTGAGE LENDING •

"£870m was advanced including a substantial amount for home improvements. 45% of lending was granted to first time purchasers and 33% was lent on older type properties".

#### GROWTH & RESERVES •

"Assets increased by £655m, or 20%, to \$3,922m. \$26.4m was added to reserves which total £151m, representing a reserve ratio of 3.86%"

#### MERGERS •

The Board extended a warm welcome to members and staff of the Foresters, Hibernian and Merseyside Building Societies, all of which merged with the Society during the year". Highlights from the report given by the President, Robert T. Gardener, C.B.E., F.C.B.S.I., C.B.I.M., to members of Bradford & Bingley Building Society for the year ended 31st December 1985.



KADNORDA BINGLEY BUILDING SOCIETY CHIENOPHICH (BINGLEY N. F. TAORESHIR). MOGULA

**Edinburgh Fund Managers plc** 

Pre-tax Profits

Earnings Per Share 12.9p

Dividends Per Share 4.0p

or by telephone on 031-226 4931

# Rugby Portland profits down despite recovery

IN LINE with expectations ing the second half, with Rughy Portland Cement saw modest growth in the final some improvement in the quarter. However, he adds that second half of 1965, but not the recovery in trading profits enough to recover the profit was affected by the costs of fall of the first six mouths. cutting manpower of £1.75m. After reporting a 41 per cent fall in pre-tax profits at the interim stage the full year figure came out at 21.84m, 21 per cent down on the previous year's £27.79m.

Markets expectations had been in the region of £20m but the sharea were still marked down in a falling market by 7 p to close at 179 p.

Turnover rose by 26 per cent from £199.98m to £252.16m. Earnings per sbare on capital increased by acquisition came out at 13.7p (14.5p), and the total dividend is being raised from 6.2p to 6.4p with a recommended from harmont of 35 per center of 35 per center

Mr Maurice Jenkins, chair-man, says the year proved to be very difficult and was made US and Australian dollar. The tax profits by about £4m Cement sales recovered dur-

rights issue

The second haif saw the first (Doncaster), joinery manufac-turer, with trading profit of £3.74m.

Of the turnover, £71.3m (£51.3m) was achieved overseas with trading profits of £7.95m (£9.29m) out of a (01al of £21.56m (£24.62m). Net interest charges, less investment income, were £2.82m (£521,000) and share of related companies added £3.1m (£3.69m).

The tax charge was substantially lower at £3.41m, against £9.8m mainly as a result of a UK tax credit of £544.000, compared with a payment last time of £4.71m.

Mr Jenkins says that was the recult of the result o result of the mutually bene-ficial tax profiles of John Carr and the parent company and adds that there will be a further modest benefit in the present year.

minorities taking

for the year came out at £17.97m, against the previous year's £17.4m.

The chairman says that Rom River Plasclip continued its recovery and overseas Cock-burn Cement bad a good year with trading profits up by 14 per cent in local currency, des-plte a fall in the profits of laud sales to £445,000. In the US Addison Corporation was affected by the acquisition of new branches which increased its size by 65 per cent.

Results of related cemeot

5 per cent higher. All members of the group started the present year well, says Mr Jenkins, but the poor weather in February reduced building activity. However given stable currencies and a full year's contribution from John Carr a strong recovery is

companies in dollars were about

expected.
Group policy is to continue to expand activities and develop as a widely based building materials group with cement remaining one of the major products.

#### **Two Kennedy Brookes** F & C Eurotrust executives to resign to raise £6m

F & C Eurotrust, one of the few surviving specialist European biased investment trusts launched in the early seventies when the UK jnined the their own business. EEC, is raising £6.1m after expenses with a one-for-four

The issue is priced at 221p a sbare, equivalent to the trusts's net asset value assuming full conversion of the convertible stock.

In the year to December 31 1985, Eurotrust's net asset value increased by 49.7 per cent. Since then, it has advanced by a further 18.2 per cent and the directors see more "opportunities for profitable investment."

A 1.85p interim dividend, in lien of a final, has been declared for the year ending June 30. This payment has been announced earlier than usual, and it is expected the final dividend for the year to June 1937 will be paid in September 1987.

The Issue bas been under-written by Cazenove.

TWO EXECUTIVE directors of two directors and Kennedy Kennedy Brookes, the leisure Brookes, some 200,000 shares and restaurant group which owned by Mr Abrabam and Mr

Mr Neville Abraham and Mr bold 300,000 sbares. Laurence Isaacson are to form a new company, Lakebird, capitalised at £800,000. Kennedy Brookes bas agreed to take a 10 per cent stake in Lakebird and to sell it two leases—those of Café Fish in Panton Street and Bertorelli Bros in Floral Street, both in London—for a total cash consideration of

includes the Wheeler's and Isaacson were placed privately Marlo and Franco chains in at 250p, according to the com-London, are to resign to set up pany's brokers, Hickens The two men still

> The share deal was subject to agreement between the two parties at Kennedy Brookes. It bas netted Mr Abraham and Mr Isaacson £500,000, Kennedy Brookes closed at 278p, down 5p on the day.

For the six months to April 1985, Kennedy Brookes achieved £300,000.

Last week, before the deal turnover. Last May it launched was finally agreed between the a £9.65m convertible rights

#### Tricentrol chief's 48% pay rise

group, received a 48 per cent pay increase during 1985, and that took his total salary from £110,800 to £163,000.

Mr James Longcroft, chair- and £90,000 in 1985, and another man and chief executive of Tri. between £70,000 and £75,000. centrol, oil and gas exploration One senior employee in the UK was given a salary of between £90,000 and £95,000.

The year-end figures, issued recently, showed that Tric entrol's pre-tax profits for 1985 The annual report also shows fell from £39.3m to £26.5m, and that one director received remuneration of between £85,000 10p to 5p.

## Martin Dickson on the final stages of the £2.8bn battle for Imperial Signs point to a nail-biting finish

that befits an epic takeover battle: the £2.8bn fight for control of Imperial Group, the tobacco to brewing business, will reach a climax this Friday and the signs are that it will be a nall-biting finisb.

By Friday afternoon investors will have to decide whether to accept United Biscuit's offer-which has the backing of the Imperial board—or to hold off and deliver up the company to the bostile bid being made by Hanson Trust, the industrial conglomerate with interests ranging from bricks to batteries

teries.
Epic is a word dulled by over-use in takeovers, but the battle for imperial can lay more genuine claim than most to the description. It is partly the sheer scale of the figot, pitting three of Britain's leading industrial companies in the biggestever takeover bid; partly the cast of characters, beaded on the one side by the tall, elegant figure of Lord Hanson, the chairman of Hanson Trust and aggressive capitalism incarnata,

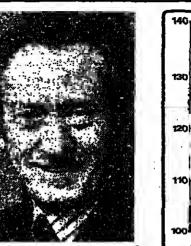
and on the other by Sir Hector tally. Laing, representing a more Bat paternalistic form of indus- early There is also a classic symmetry in the clash of culsymmetry in the clash of cul-tures between the protagonists and the future they offer Imperial: United Biscuits bolds aloft a banner labelled "long term industrial logic" and Hanson one proclaming simply its proven management skills

assets sweat. The United-Imperial camp is portraying the choice facing fund managers as one of wider national importance for the way industry is run, contrasting what it claims would be the ahort-term approach of a vic-torious Hanson with its plans for long-term organic growth.
"What is the changing face of the nation?" asks Sir Hector, wealth creation or today's

for making under-performing

The Hanson side dismisses this as so much emotive clapof short versus long-term, or of conglomeration versus synergy, but simply which company could manage Imperial's assets

At the moment Hanson appears to have the edge, since it speaks for some 30 per cent for brewing and leisure and 38 of Imperial's sbares, and can per cent for food). For United, buy 5 per cent more in the market, which United speaks strong cash flow from



Hanson Chairman Hanson Trust

buy no more. United, however, is claiming some significant

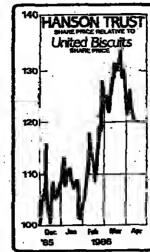
Battle was first joined in early December when, in the space of a week, first Imperial and United unveiled plans for a merger (In the form of an Imperial bid for the smaller United) and then Hanson bid for Imperial, claiming that the merger was merely a defensive pact between two bid targets.

Hanson appeared to face a clear run when the Imperial-United deal was referred to the Monopolies and Mergers Com-mission because of its implications for the snack foods market, But United fought back by launching a bid of its own for Imperial, which in turn got round the Monopolles problem by agreeing to sell its Golden Wonder snacks business to Dalgety for £54m.

That figure was well below City estimates of the company's worth, and opened Imperial up to Hanson criticism of a rushed sale at knock-down prices.

Even without Golden Wonder,

Imperial and United insist that a marriage of the two makes great sense; for Imperial, it would mean a much reduced ependence on tobacco (which would account for about 33 per cent of the combined group's 1985 sales, against 29 per cent



the cigarettes business to help fund its expansion as a major

international force in the foods

In areas where the two have common interests, they could grow together more rapidly: Imperial'a Ross and Young's frozen foods companies would fit with United's McVities frozen products; Imperial's Happy Eater roadside restaurants would complement United's High Street outlets, Wimpy and Pizzaland; a combination of the two companies' confectionary interests could increase their market share; while a greater number of United's products might be introduced to Imperial's chain of Courage pubs.

The two companies appear to believe that a merger could produce benefits worth about £30m in annual profits by 1988, And they argue that Hanson cannot hope to squeeze improvements on such a scale out of Imperial, which over the past five years has been through a major rationalisation process and much improved its previous

lacklustre performance. Certainly, Hanson has said remarkably little about its intentions for Imperial. It argues that there is little point coming up with solutions until it has won and taken a close look at the problems of the business. Essentially, it is standing on its record, and it can compare its. 33.9 per cent annual growth in earnings per share over the past five years with the 9.2 per cent



Sir Hector Laing, chairman of United Biscuits

recorded by United "We have greater experience of acquisitions of this size and ave proved we can inject new life into companies," says Lord Hanson, who argues that United is anyway making excessive claims of industrial logic, since food and restaurants account for only 20 per cent of Imperial's

Hanson also portrays Sir Hector's plans as a high risk strategy, on two counts: first, that the relatively small United has no record of acquiring large diversified husinesses; and second that it cannot hope to compete successfully against large American rivals in the international food market. "Fund managers have got to

ask: 'Is this going to work?'" says Lord Hanson. "And I don't think it is. Cookie factories in The voice trails off dismissively. United replies that it is

ridiculous to portray it as simply pouring money into the Tbird World, which, for the time being, will remain a relatively small, if growing, part of its interests. As for taking on the Ameri-

can giants, it points to the success last year of Keebler, its US subsidiary, which was the only major participant in the "cookie war" to show any growth, recording a 34 per cent gain in dollar income.

far more comprehensive than any launched by its previous takeover victims. ating remarkably little organic growth and being dependent on making ever larger takeovers to sustain expansion. Its relatively low level of capital investment (£59m last year) is contrasted with that of Imperial (£193m) and United (£94m). Hanson replies that its return on capital employed is double Imperial's "They believe it is virile to invest

money. We believe it is virile to get a return."

There is little evidence to suggest that the anti-Hanson campaign has made a particu-larly deep impression, in the City. On the contrary, the company's share price has moved rapidly forward in recent weeks, in part because of analysts' growing enthusiasm about its last major takeover victim — SCM, the US chemi-

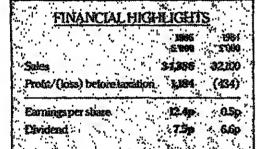
cals to typewriter group.
And come the end of this
week the battle could be determined on the strength of tha protagonists' share prices. The two bids are fairly close in value and the complex combinations of paper and cash each are offering make precisa com-parisons difficult.

On the basis of last night's closing prices, Hanson says its "best" offer of shares and convertible stock was worth about 372.5p; against a United offer of shares, cash and convertible preferred shares worth around 365p. However, Imperial is now challenging the value Hanson put on its convertibles and suggests the two offers are about the same—a claim Hanson dismisses as nonsense

Whatever the case both United and Imperial argue that the future of the two companies should not be decided solaly on small daily fluctuations in share prices, particularly in a bull market so frothy as the present one. "We are aiming to create genuine wealth through new businesses," says Sir Hector. But fund managers time horizons are notoriously short

instant performance are powerful-despite the exhortations of politicians and industrialists for a longer view. So whether they swing behing Sir. Hector or Lord Hanson should throw a Moving from defence to more general light on the mood attack, the United-Imperial of the times and, as in the camp has laid in to Hanson's best epics, point up something track record with a broadside of a moral.

## **Beatson Clark returns to profitability**



"In 1985 all parts of the Beatson Clark business achieved increases in turnover and this higher turnover, together with improved productivity in the main glass container business, has been the basis for a return to profitable trading." FROM THE CHAIRMAN'S STATEMENT

ABEATSON CLARK plc



#### **BOARD MEETINGS**

7.
The following compenies have notified dates of board meetings to the Stoci
Exchange, Such meetings are usually
Exchange, Such meatings are osterly
held for the purpose of considering dwidends. Official indications are no
dwidends. Official indications are no
aveilable as to whether the dividends
ere interime or finals and the sub-
divisions shown below are based
divisions shown below are based mainly on last year's timetable.
TODAY

Interims: Arenson, London and incial Shop Centres, New Court

Next.					
Finals:	Aah	and L	acy,	Agibury	and
Madeley,	ages	lord.	aod	VC018	Inter
national,					
ston Gr					
Canlinen					
Ed:nburg					
Metsec,			Indus	tries,	Pule;
Leisure,	Scanro				

FUTURE DATES

erina	Lilitara	
not	Assam-Ogoers Holdings	Apr 1
ends	Blue Circle Industries	Apr 2
sub-	Bousteed	Apr 1
ased	Carlton Industries	Apr 1
		Apr 1
	Conder	Apr 1
	Eastern Produce	whi. i
Pro-	Hammerson Property and Oav-	
rust.	velopment	Apr 1
	Herris Queeneway	May Apr 2
and	Home Counties Newspapers	
-101n	New London Properties	Apr 1
ohn-	Northern Engineering	Apr 1
and	Parambe	Apr 1
and	Remco Oil Servicos	May 14
real,	Reabrook	Apr 1
Ներ	Renown Inc	Apr 1
	Roberts, Adlard	Apr 14
	Ruberoid	Apr 10
	Simon Engineering	Apr 10
	Termac	Apr 25
r 16	Television Services Intal	Apr 21
ıy 1	Western Cooars Tee	Apr 17

#### DIVIDENDS ANNOUNCED

01110	.1120	WI1110	OHO.			
	Current payment	Date of payment	Corre- sponding div.	Total for year	Total last year	
Aldeom Inti	. 1.1	July 1	0.86	1.1	0.86	
F & C Eurotrust fin	t 1.85	Aug 1	1.7	1.85	1.7	
Glynwed Inti	. 6.75	July 3	6	10.5	9.25	
Macfarlane	. 1.47	May 22	1.24*	2.48	2.16*	
More O'Ferrall	. 3	July 4	2.4	4	3.4	
Pentland Inds	. 1.16	July 3	0.7*	1.5	0.87*	
Queens Moat	. 0.84†		0.67	1.6	1.33	
Rugby Portland	. 3.5†	July 1	3.3	6.4†	6.2	
Scottish TV	_ g.1	_	6.5	10.5	8.8	
UDO Holdings‡in	t 1.5†	_	1.25	_	3.75	
Wilson (Connolly)	. 2.85	_	2	4	. 3	
						_

Dividends shown in pence per share except where otherwise atated Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.
 In lieu of final.

#### Shareholding reshuffle at Hobson

By David Goodhart

Hobson, the USM - quoted makers of a new process of aluminium die manufacture, has announced a significant resbuffle of shareboldings between two of its directors. The company was founded by

two inventors, Mr George Nicholson and Mr David Nicholson and Mr David Stewart, and last year went through a serious upheaval when Mr Nicholson, who claims to have invented the process, was dismissed. His 34.6 per cent stake in the company (3.6m shares) was later placed with 400 new investors.

Mr David Stewart, who remains a director, bas now sold 1m of his shares to Mr Rodney Harnatt, the Brighton entre-preneur who has now become executive chairman of the com-pany. The sale for an undisclosed sum, leaves Mr Stewart with 2.6m shares. Mr Harnett also has an option from Mr Stewart over a further 1m shares exercisable on or before April 1989.

Mr Harnett, who now holds 12 per cent of the company (1.2m sharea), said yesterday that his acquisition showed his confidence in the future of the

#### COMPANY NEWS IN BRIEF

FRENCH RIER — two former It is to retain a 50 per cent directors of the construction stake in the enlarged share group, which was recently taken capital by subscribing to 1.74m over hy C. H. Beazer, the fast redeemable preference shares over by C. H. Beazer, the fast-growing housebuilder, have now resigned. Mr Alan Frettsome, chief executive of the contract-lng division of the new merged, company, and Mr Tony Gam-mage, who joined the finance and administration committee of Beazer, have left on mutually agreed terms.

capital at the last closing date on Friday. Guinness, the rival bidder which has had 9 per cent acceptances, claimed this was evidence of its imminent victory. However, it appears that Argyll acceptances have since Friday passed 3 per cent. Guinness's share offer valuation of Distillers is still ahead of Argyll. Guinness values it at 766p per share having seen its

766p per share having seen its own share price slip 3p to 348p yesterday. Argyll, which remained on 360p, valued Distillers at 732p a share. GREAT UNIVERSAL STORES and Combined English Stores

have agreed to run the Paige Fashion stores, a women's wear retailer with 246 UK branches through a jointly-owned company. GUS will receive rental income from the properties and a balf share of trading profits.

at par. CES is to take a 50 per cent ordinary share stake at a cost of £2.3m.

NORTON OPAX, the Yorkshire prioting group which is making a £110m bid for McCorquodale, a fillum big for McCorquodale, said yesterday that hy its first closing date it bad received acceptances from holders of only 0.28 per cent of McCorquodale shares. The offer Distillers acceptance of Argyll's only 0.28 per cent of bid slipped marginally down to McCorquodale shares. The offer 2.81 per cent of the share has been extended until April capital at the last closing date 23.

> Halifax Building Society For the three month period from. 7 April, 1986 to 7 July, 1986 the Notes will bear interest at the

The Coupon amount per £5,000 Note will be £138.68; payable Morgan Grantell & Co. Limited Agent Bank

rate of 11 % per cent. per annum.

LADBROKE INDEX 1.404-1.408 (-14) Based on FT Index Tel: 01-427 4411

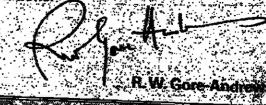
## More O'Ferrall PLC 1985 Results—Record Second Half

1st Half	2nd Haif £,000	TOTAL		
376	2,436	2,812		
1,205	1,013	2,218		
Interim	Final	TOTAL		
1.0p	3.0p	4.0p		
1.0p	2.4p	3.4p		
1st Half	2nd Half	TOTAL		
1.0p	5.7p	6.7p		
3.3p	2.5p	5.8p		
	376 1,205 Interim 1.0p 1.0p 1st Half 1.0p	2,000 £,000  376 2,436 1,205 1,013  Interim Final  1.0p 3.0p 1.0p 2.4p  1st Half 2nd Half  1.0p 5.7p		

More O'Ferrall

#### Chairman's View

The improvement which we experienced in the second half of last year has continued during the opening months of 1986. This has been achieved by the more stable market conditions in the UK, and by the effect of the management and operational reorganisation throughout the Group which we implemented during 1985. Our operations in the U.K. France, Belgium and Ireland continue to perform according to expectations



## **UK COMPANY NEWS**

## Glynwed advance leads to £24m debt reduction

further strong headway through the second six months of 1985 and for the full year saw its profits surge by £9.1m to £35.6m

pre-tax.

The figures were, however, at the bottom end of City estimates.

The directors say the main features of the year were continued improvements in the UK aperations together with benefits of the directors. fits of the disposals made in 1984 in Sooth Africa and the US, resulting in improved profitability and a strong cash flow.

A cash flow of £24m reduced net debt to £16.1m and the debt/equity ratio from 34.2 per cent to 13.5 per cent. Interest charges were cut by £5.1m to £4m.

Operating profits emerged £4m ahead at £39.6m, of which the UK and Enropean opera-

**UDO** ready

for full

**SE** listing

Glynwod Share Price Relative to FT-Actuaries All-Shart Index

charges were cut by £5.lm to

£4m.

The directors see 1986 as a
year of further progress. Meanwhile, they are lifting the final
dividend by 0.75p to 6.75p for
a 1.25p bigger net untal of 10.5p.
A scrip issue on a nne-for-four
basis is also proposed.

Turnover for 1985 showed an
overall decline of £50m at
£464.1m due mainly to the disposals in South Africa and the
US. Turnover of the continuing
business however, improved by
7.3 per cent—the group's
interests are in the manufacture of consumer and building
products, engineering and steel
products. increase by f1.5m to f11.4m.
In the US only the plastic
pipe husiness did well. In South
Africa the remaining foundry

The assets of Glynwed Cast ings and Stampings were sold in two transactions after the

#### comment

It has taken four years of strong earnings growth before the market has finally reappraised Glynwed's capabilities and pros-pects. These results show that the company well deserves the re-rating; its shares have risen from under 200p six months ago to yesterday's price of 380p. ago 10 yesterday's price of 386p. Ing capital.

Having decided that 1885 would be the year in which gearing stopped being a problem. Glynwed has not only delivered a factor of the business, and has reinforced it strategy of concentrating in specialised markets or in those where it has gained a clear cost advanting capital.

They hope that the payment of the possible in the current year—the last paywould was an interim in 1882.

Turnover for 1985 fell from \$216.99m to £193m. Pre-tax profits benefited from a £7.27m fall in administration expenses to £39.91m and a £1.77m drop in oet interest charges to £6.01m.

It is pointed out that markets markets or in those where it has gained a clear cost advantage. The process of trimming doring which unprofitable businesses worth £25m has been sold, and costs squeezed out mercilessly everywhere, is nearly over. The way forward is in part by acquisition (Philmac looks a good fit and was bought for a entitle price as were the for a sensible price, as were the niher smaller buys over the last two years) and in part by deve-loping the more dynamic parts of the company like plastics. On in group markets and reflected f44m of pre-tax profits the improvements in efficiency over shares are on a p/e of 11—a the past two years, below average rating for above. The directors are confident

## Macfarlane up 34% and current year starts well

The directors of UDO Roldings, supplier of drawing office and related equipment, feel the group has now reached an appropriate stage to consider an introduction of its shares to the Official List and application has been made. The company's shares are currently traded on the United Securities Market shares are currently traded on the Unlisted Securities Market. It is expected that the ordinary shares will be admitted to the Official List on May 9, The group reports that pre-tax profits for the six months to January 31 1986 more than doubled from £550,000 in £1.21m on improver up from £5,05m to £9.77m. The interim dividend is increased by 20 per cent from

are up on the corresponding period last year.

Pre-tax profits for 1985 in-creased by 33.6 per cent from £3.01m to £4.02m; and sales ad-

increased by 20 per cent from 1.25p to 1.5p nei—last year a total of 3.75p was paid from pre-tax profits of '11.55m." Stated earnings per 1.0p share improved from 5.8p to 10.9p. A two-fin-one scrip is proposed. Sime Mallach, the Scottish-based reprographics company acquired for £2.76m last April, produced an important contribution of £422,000 to group profits, continue to show real with £639,815.

RECORD profits are reported by Macfarlane Group (Clansman) packaging and orinting, for 1985, and the dividend is effectively raised from 2.16p to 2.48p, with a final of 1.47p.

Sir Norman Macfarlane, the chairman and managing director, says 1986 has started strongly, and the group's companies are trading well. Sales and profits for the year so far are up on the corresponding

The one disappointing feature of the year was the further losses incurred by Cyro and Farquharson Bros, the copying products companies. These companies have now been merged under the name Cyro in order. t3.01m to £4.02m; and sales advanced from £41.52m to £48.13m, an increase of 15.9 per cent. Earnings per 25p share rose from 6.375p to 7.805p.

Throughout the UK, the group's companies continued to perform well. Abbott's Packaging in the South-east traded attractively and increased its already substantial contribution to profits.

Flo-Pak (UK) and Clansman Cases—both are based at Brackley—produced improved results and continue to show real

Notice of Redemption

#### North American Rockwell Overseas Corporation

(now Rockwell International Corporation)

84% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4.0.2 of the Indenture dated as of May 1, 1972 among North American Rockwell Overseas Corporation (now Rockwell International Corporation) (the "Company"). North American Rockwell Corporation (now Rockwell International Corporation) (the "Guarantor"), and First National City Bank (now Citibank, N.A.) (the "Trustee"), as amended by the First Supplemental Indenture dated as of June 15, 1974 between the Company and the Trustee (the "Indenture"), the Company has elected to redeem the entire principal amount ootstanding of the captioned Debentures on May 1, 1986 (the "Redemption Date") at the redemption price of 100% of the principal amount thereof, ingether with accrued interest to the Redemption Date.

On the Redemption Date, the Debentures shall become due and payable two presentation

On the Redemption Date, the Debentures shall become due and payable upon presentation and surrender thereof together with all unmatured coupons appertaining thereto (a) at the corporate trust office of Chibank, N.A., 111 Wall Street, 5th Floor, Corporate Trust Services, New York, NY 10043, or (h) subject to any laws or regulations applicable to such payments in the country thereof at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt/Main, London, Milan and Paris, and at the main office of Kredietbank S.A. Luxembourgeoise, in Luxembourg. The redemption price shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and shall be made at the option of the holder at the offices referred to in (b) above by check drawn on, or transfer to a United States dollar account maintained by the payer with a bank in the City of New York.

Coopons due May 1, 1986 should be detached and collected in the usual manner.

On and after the Redemption Date, interest shall cease to accrue on the Debentures.

Rockwell International Corporation

By: CITIBANK, N.A., Trustee

April 1, 1986.

Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agent has the correct tax identification number (social security or employer identification number) agent has the correct tax identification number (social security or employer identification number) of or an exemption certificate from the payee. If you surrender your Debentures for payment in the United States, please furnish a properly completed Form W-9 or exemption certificate

This notice is issued in compliance with the requirements of the Council of The Stock Exchange

## QUEENS MOAT HOUSES P.L.C.



Placing of £35,000,000 nominal of 104 per cent. First Mortgage Debenture Stock 2020 at £99.888 per cent. payable as to £40 per cent. on acceptance and

as to the balance by 1st August, 1986. Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange £3,500,000 nominal of the

Stock is available in the market on the date of publication of this notice. Particulars of the Stock will be circulated in the Extel Statistical Service and copies of such particulars may be obtained from the Company Announcements Office, The Stock Exchange, Throgmorton may be obtained from the days from the date of this notice (for collection only) and during normal business hours (Saturdays and public holidays excepted), for 14 days from the date of this

Oncens Moat Houses P.L.C. Most House 111-115 North Street Essex RM1 1ES

8th April, 1986.

Charterhouse Japhet pic 1 Patamoster Row London EC4M 7DH

65 Holborn Viaduct

London EC1A 2EU

## **Blackwood Hodge** recovers to £7m but no dividend

THE Blackwood Hodge group funds were reduced by £8.9m continued its recovery in 1985 to £27.9m.

and for the year saw its profits At year-end group borrowhefore tax advance from £3.04m to £7.16m. Losses in 1983 totalled £20.62m.

However, the directors have decided against the resumption funds, the resultant unsatisfactory deot to equity ratio and the necessity to conserve work-ing capital.

It is pointed out that markets in which the company serves tearthnoving, construction and mioing equipment sales and service) have shown little or no growth over the last few years.
The directors say it is prudent
to regard the current level of
demand as normal rather than

as the bottom of the trade cycle.

The increase in profitability in 1985 was achieved against a hackground of limited growth in group markets and reflected

The directors are confident that the group will continue to progress by increased market share and profitability and point

of overseas net assets into sterling of some £15.5m and despite retained profits emerg- further recovery in pring at £5.4m, shareholders' £9.5m and a p/e of 6.5.

At year-end group borrow-ings, including the unsecured loan stock and interest-bearing stock financing plans, had fal-len by £17.2m to £44.5m. The 1985 year saw domestic of ordinary dividends due to an sales increase by 23 per cent 18.9m reduction in sharebolders' to £34.5m following the end of the miners' strike in March.

## Earnings for the year, cmerged at 6.7p (2.29p) per 25p share.

comment Blackwood has been bandied Blackwood has been handled about as a recovery stock for a long, long time. With these results the company justified the label by hading prefits back to the level of the late 1970s despite adverse exchange rates which wiped film off profits and more internetly. rates which wiped fim off profits and, more pertinently, whittied away shareheiders' funds to such an extent that borrowings bover at 120 per cent. Throughout the 1980s the company cut costs and reduced stock levels so stringently that there is little left to cut. Given that there is no apparent scope for growth within its existing markers, the only option is to diversify into within its existing markets, the only option is to diversify (sto related areas, probably into engineering distribution, through acquisition. With such high borrowings Blackwood Hodge's best solution is to pay with paper, thus achieving the joint objectives of broadening the business base and swelling the probability funds. Theil was share and profitability and point the business base and swelling out that in areas where it can shareholders' funds. Until the directly infinence its financial interim stage paper trensactions position it has made substantial were ruled out occause of the progress.

During the past 12 months the appreciation of sterling up 2p to 60p resterday—against certain overseas curpaired with the company's rencies resulted in an unintention to resume divident realised loss on the translation payment at the end of 1986 of overseas net assets into should make paper payment.

should make paper payment possible. The City expects further recovery in profits to

NOTICE OF RECEMPTION

#### Chrysler Overseas Capital Corporation Chrysler Corporation, Guarantor

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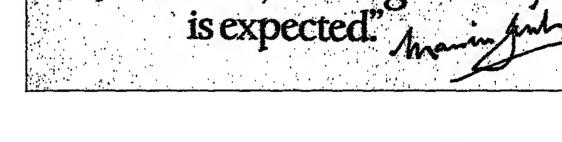
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Chrysler Overseas Capital Corporation  $B_I$ , J. Henry Schröder Bank & Trust Company, As nuccessor Trustee

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"Given stable currencies and a full year's contribution from 1985's major acquisition, John Carr, a strong recovery is expected."

200



Commenting on the results the Chairman, dollars were some 5% higher.

Maurice Jenkins, said:

1985 proved to be a very difficult year made worse by the fall of both the U.S. dollar and even more significantly the Australian dollar. The 1985 profit before taxation would have been some £4,000,000 higher at the 1984 exchange

The U.K. cement division's sales recovered during the second half of the year with modest

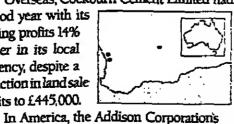


growth being achieved in the final quarter. However, the recovery in trading profits was affected by a further manpower reduction programme, which cost some £1,750,000.

John Carr (Doncaster) PLC's first contribution, a

trading profit of £3,741,000, was a record half year; Rom Limited continued with its recovery. Overseas, Cockburn Cement Limited had

a good year with its trading profits 14% higher in its local currency, despite a reduction in land sale profits to £445,000.



performancewasaffected by the acquisition of the new branches, which increased its size by some 65%. The related cement companies' results in U.S.

TURNOVER £m 144

The mutually beneficial tax profiles of John Carr and the parent company resulted in a lower than normal tax charge for 1985. There will also be a modest benefit in 1986.

All members of the Group started the current year well, but the extensive snow and low temperatures reduced "wet" construction activity in the U.K. during February. Given stable currencies and a full year's contribution from 1985's major acquisition, John Carr, a strong recovery is expected.

Results in Brief	1985 £ million	1984 £ million
Turnover	252.2	200.0
Profit on ordinary activities before taxation	21.8	27.8
Earnings	18.0	17.4
Dividends	9.1	7.5
Earnings per share Dividends per share	13.7p 6.4p	14.5p 6.2p
Exchange rates used: A\$ = £1 US\$ = £1	2.12 1.45	1.40 1.16

It is our policy to continue to expand the Group's activities with a view ro developing further as a widely based building materials company, one of whose major product areas will remain cement.

The Directors recommend an increased final dividend on the 25p Ordinary Shares of 3.5p (3.3p) - which together with the interim dividend of 2.9p (2.9p) - makes 6.4p (6.2p) for the year. The proposed final dividend, if approved, will be payable on 1st July 1986 to Shareholders on the register at the close of business on 2nd May 1986.



For a copy of the 1985 Report and Accounts containing the full review by the Chairman, (which is due to be posted on 9th May 1986), please send the coupon to: The Secretary, The Rugby Portland Cement P.L.C., Crown House, Rugby CV21 2DT.

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#### Landesbank Rheinland-Pfalz:

#### A 100% Decision for Luxembourg

Landesbank Rheinland-Pfalz and Saar International S.A., jointly established in 1978 by the Landesbanks of Mainz (74.9%) and Saarbrücken (25.1%) has become a wholly owned subsidiary of Landesbank Rheinland-Pfalz - Girozentrale, Mainz, Federal Republic of Germany. The Bank will now be operating in the Euromarket under the name of



Landesbank Rheinland-Pfalz International S.A. Luxembourg

6, rue de l'Ancien Athènée. P.O. Box 84, L-1144 Luxembourg, Téléphone 47 59 21-1, Télex 18 35 rpslu.

# LATEST PRICES

Distillers share price worth

Guinness best and final offer worth

Guinness higher by

The Guinness offer is unanimously recommended by the Board of Distillers. The closing date is April 18th at 3pm.

#### **GUINNESS PLC**

This advertisement is published by Morgan Grenfell & Co. Lumited and The British Linen Bank Ltd on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly.

The value of Guinness' offer depends on its share price. The above offer value is for Guinness' Offer, assuming acceptance in full by all Disullers shareholders of the Convertible Preference Shares. based on the middle market taken from The Stock Exchange Daily Official List on 7th April, 1986.

The Offer value takes account of an estimate by Wood Markenzie & Co. Limited and Carenove & Co. of the value, based on the relevant ordinary share price of the Convertible Preference Shares of Guinness. The value of the Convertible Preference Shares of Guinness. The value of the Convertible Preference Shares of Guinness.

### **UK COMPANIES**

## Queens Moat £35m | Reorganisation at placing as profits expand by 60%

Pre-tax profit of Queens Most at Liverpool and the Royal Houses jumped 60 per cent to £10.5m in 1985 with the greatest cash. part of the increase reflecting further advances in the group's longer beld properties and the benefits of financial manage-

ment.

The directors also announce that the company is raising some £35m by way of a placing of first mortgage dabenture stock 2020. This is payable as to £40 per £100 on acceptance and the balance by August 1.

Against a foretast 0.765p final dividend, the total distribution is lifted by 20 per cent to £6p with a final payment of 0.835p.

Up to £3.5m of the dabenture stock will be available at the issue price in the market until noon tomorrow and it is expected thet dealings will begin at 2 pm on that day for deferred settlement on April 15.

The directors say that the proceeds of the issue will be used to reduce existing variable used to reduce existing variable rate borrowings and to finance the company's contiouing

expansion.

Mr Bairstow, the chairman, says that the group caters

"predominantly for the business community and the outlook for 1986 is very good." The group acquired six hotels last year and already in the

current year has acquired a further seven making a total of 13 with 1,525 bedrooms. "Thet is an increase of 34 per cent, and is in addition to 280 bedrooms in threa hotels under construction and to extra. rooms and additional conference and leisure facilities being

cash.

Pre-tax figure was after rent unchanged at £1.12m, and interest payable, down slightly at £4.36m (£4.52m). After tax of £1.71m, compared with £350,000, earnings per 5p share are given as 4.75p (4.03p) basic and 4.42p (3.63p) fully dinted. Dividends will ebsorb £3.79m (£2.08m) leaving a retained balance of £5.01m (£4.15m). Mr Bairstow says that during the year some £3m was spent to create extra rooms, conference and leisure £acilities and on refurbishment which have enabled directors to generate increasing profits from longer held properties as well as from acquisitions.

A revaluation of properties,

A revaluation of properties, as at December 31 1985, showed a surplus of £35m. Fixed assets at that date totalled £177m.

The market was a little

comment

The market was a little grudging to knock 2p off Queens Most Houses' shares yesterday, given e good set of results and an unexpectedly large property revaluation. Although much of the 60 per cent profits advance was a direct result of last year'a rights issue, there was also good crowth from scieting hotole as growth from existing hotels as growth from existing hotels as well as contributions from the bunch of new ones. Share-bolders can be reasonably certain that this year will provide more of the same—the company persists in a wise policy of refurbishing its portfollo, and adding to it by buying up-market hotels. On profits of film the phayes or a full. built under our improvements flam the shares are on a fully and extensions programme."

Mr Bairstow states.

With business continuing to be buoyant and with the additional hotels progressively moving into full profitability, be says the company is assured of continued prodts growth.

The cbairman explains that the placing follows the recent standards, and in any case, the borrowings are well matched against long twen expects. borrowings are well matched against long term assets. acquisition of the Holiday Inn

### More O'Ferrall progresses and profits reach £2.8m

• comment

ing pictures of the sales direc-tor's daughter all over the

PRE-TAX profits at Mere the UK, France, Belgium and O'Ferrall, outdoor advertising Ireland continued to perform and ancillary services, according to expectations, they and ancillary services, improved from £2,22m to £2.81m in 1985, and the improvement experienced in the second half continued into the opening months of 1986.

Group turnover for the year cose from an adjusted £17.15m to £22.11m—this is now repreto 1221 line this is now repre-sented by net turnover after third party commissions. The 1985 figure includes turnover of Adsbel from July.

Operating profits came out at £3.45m (£2.39m), and this includes share of profit of Adshel while it was a related company. Tax was up from £1m to £1.28m and there was a minority credit of £11,000 (£5,000 dehit).

There was also an extra-ordinary debit of £134,000 (£44,000), being rationalisation (124,000), being rationalisation and reorganisation costs of £187,000 following the acqoisi-tion of Adshel; release of deferred tax £175,000 (nil); provision for losses and associates costs on disposal of a aubsidiary £174,000, and profit on disposal of properties, £12,000 (£20,000).

tor's daughter all over the country in the enigmatic "Amy" campaign. Yat posters' shere of advertising expenditure has remained shibbornly static. In the longer term More O'Ferrall plans to compensate for this by developing. "international" poster packages for global advertisers in airports and hotels. In the short term its sights ere set on organic growth, apecifically through Adshel. Demand for posters has been healthy so far this year, and neither the recent restrictions on tobacco advertising nor increased competition among The directors say the continuing improvement has been achieved by the more stable market conditions in the UK, and by the effect of tha manageand by the effect of tha management and operational re-organisation implemented throughout the group during 1985.

The company's operations in of 10 for 1986.

Wilson (Connolly) profits advance 28%

SECOND half taxable profits of Wilson (Connolly) Holdings, Northampton-based house builder, contractor, moved ahead from £9.04m to £12.47m and pushed the full 1985 figure up by 28 per cent to £20.29m from turnover of £90.25m. This is compared with £15.84m last time, from a £76.78m turnover.

Mr Lynn Wilson chairmen says he looks forward to reporting further progress for the current year. the current year.

After tax of £8.42m (£6.7m) earnings per share are given as 26.3p against 20.7p while the dividend le stepped up by 1p to 4p with a final payment of 2.85p (2p). Also proposed is a one-for-one surip issue.

A breakdown of both turn-

over and pre-tax profits shows: Wilcon Homes £70.9m (62.7m) which homes 2705m (227m) and £17.3m (£14.5m); Wilson Construction £11.8m (£11.3m)—both net of inter-company trading — and £0.6m (£0.4m); property trading £5.6m (£1.1m) and £0.3m (£0.6m); rents £1.9m

33,000 sq ft shopping develop-ment in Sheffield.

Wilson (Connelly) may be

comes to delivering the goods, few can metch it for reliability. In splte of the adverse infinences at work on its mainstream housebuilding activities at the beginning of the year, it has succeeded in ending the period with only 30 fewer houses built than in 1984 fewer houses bust than in 1984 and with margins better than almost anyone else's in the industry. The resultant profits enabled the group to breeze in with earnings per share growth well ahead of the average of 25 per cent plus achieved over the last 12 years. Two of Wison's particular strengths are the extent of its land bank, which with five years supply which with five years' supply of plots means it does not heve and 117.5m (111.5m).

both net of inter-company trading — and £0.6m (£0.4m): property trading £5.6m (£1.1m) and £0.3m (£0.6m): rents £1.9m (£1.7m) and £1.3m (£1.4m): sale of investment properties £0.8m profit £0.1m).

Within the property trading sector the chairman says that construction is underway on a 33,000 sq ft shopping development in Sheffield.

of plots means it does not heve to buy land et the prices faced by other builders, and its skill in controlling its overheads. With neither of these showing any signs of exhaustion and the market looking buoyant up to £25m could be in prospective for this year, patting the shares, up 15p at 428p, on a prospective p/e ratio of 12 after a 37 per cent tax charge —a small and justifiable premium to the sector.

rum to the sector.

unglamorous but when it

### **APPOINTMENTS**

# C.E. Heath Group

As part of the management restructuring of the C. E. HEATH GROUP, C. E. Heath Urquhart (Life & Pensions) has been re-organised into two specialist operating companies: C. E. Heath (Employee Benefits) and C. E. Heath (Financial Advisory Services). The board Advisory Services). The board of the employee benefits company based at Reading will be Mr D. W. Nickels, chairman and managing director, Mr R. L. Walker, deputy managing directors: Mr R. W. Gallifford, Mr D. J. A. Herring, Mr D. B. F. Parfett, Mr B. Warbarton and Mr. A. P. Williams, Mr. A. D. Kovaces Gasper becomes an assistant director. The financial advisory services company operating from London will have as its chairman and managing operating from London will have as its chairman and managing director Mr Nichols, and Mr Walker as deputy managing directors: Mr K. L. Boyce, Mr J. C. Kyd. and Mr Warburton. As part of its regional development programme, the group is retiting - C. E. Heath & Co (Home). Soothend, as C. E. Heath (South East) and C. E. Heath (South East) and C. E. Heath (Thames Valley). Mr J. Houlston is appointed an additional is appointed an additional director of C. E. Heath (Thames Valley).

BROWN SHIPLEY HOLD-INGS has formed an insurance division holding company—Brown Shipley Insurance Group Management. Its board consists of: Mr R. N. Amos, chairman, Mr D. C. McIntosh, deputy chairman, Lord Farabam, Mr A. C. D. Ingleby Mackenzie. Mr F. R. Brandenburg and Mr A. W. Mansfield. Brown Shipley Insurance Services will manage the group of subsidiary, companies operating in the UK and Mr A. C. D. Ingleby Mackenzie, becomes group managing director.

LATTICE LOGIC has chosen Mr Alex Beanett, the man re-sponible for setting up the UK operation of US multinational operation of US multinational Burr-Brown, as its new managing director, to spearhead a fund-raising initiative which will fuel the company's drive into the Burpean, American and Far-Eastern markets. He'replaces Mr. John Gray who left late last year to join the new pan-European advanced chip design consortium European Silican Structures (ES2).

Mr-Charles G, Anderson has joined N. M. ROTHSCHILD ASSET MANAGEMENT as business development manager for the institutional finds department. He had a similar function at London and Manchester Assurance Group.

internal restructuring and its acquisition of Adsbel. These changes completed, the company was able to make the most of industry growth in the second balf and outperformed the market. More O'Ferrall seems to have done everything it can to generate interest in posters as an advertising medium. from sticking cars to posters at Heathrow to posting pictures of the sales directions.

from Hong Kong where he was managing director for Gis's. Hong Kong and Chins operations, to become marketing director. Mr Edward Daniel has

PRESHBARE FOODS has appointed Mr Alan Wilkinson as production director, with overall responsibility for all four-production sites—at String bourne, Braintree, Peterless and Glasgow He was site manager Glasgow. He was site manager of Walls development plant at

LOVELL HOMES SOUTHERN has appointed Mr Jim Stander as managing director from

F. J. EDWARDS, Chard, a member of the 600 Group, has appointed Mr Andrew Smith as production director. He joined from Bomford and Evershed. Evershed.

Mr Mick Duckett, managing director, Atkins Oil and Gia Engineering, Mr Richard Jaryis, head of infrastructure plan WS Atkins and Partners, and Er Brian Patterson, head, Atkins Planning, have been appointed to the board of WS ATKINS GROUP CONSULTANTS.

KMG THOMSON MeLINTOCK KMG THOMSON MeLINTOCK has made the following appointments: Mr Michael Burrown, partner, Norwich; Mr Peter Rilett, partner, Bristol; Mr Robert Steel, partner, Edinburgh; Mr Victer Burkaez, director of National VAT, Edinburgh; Mr Peter Doyle and Mr Peter Locka partners, London; and Mr David Earle and Mr Stephen Gratton, partners, Exeter.

Mr Philip Nash, the recently appointed Commissioner of Customs and Excise, has folged the Simplification of International Trade Procedures Board (STPRO). He is ex-officional member of the board, and joins in succession to Mr Norman Godfred who has retired.

THE INSTITUTE OF CHAR-TERED ACCOUNTS OF SCOT-LAND has elected Mr Garden A Anderson as president for 1966/87. He is a partner in Arthur Young Glasgow.

Mr Alim Cotton, until recently managing, director of BEAR BRAND HOSIERY, has been appointed chairman Bear Brand is a member of the Tramwood

the opening months of 1986.

The total dividend is profits surged shead of expectations and the shares rose by 50 increased from 3.4p to 4p net with a final of 3p. Stated earnings per 10p share were 6.7p against 5.8p.

Group turnover for the year rose from an adjusted £17.15m to £22.11m—this is now representations and the shares of the shares rose by 50 internal restructuring and its the second half More Offerrail's descent for the second half More Offerrail's appointed is profits surged shead of expectations and the shares rose by 50 internal for the shares rose by 50 internal from the first half the problems posed by disappointing demand in the poster industry were compounded by More Offerrail's internal restructuring and its

#### BASE LENDING RATES ABN Bank: ..

Allied Disis & Co. 11%
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American Express. ER. 11%
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Bank of Geptil 111%
Bank Hapoalim 111%
Bank Hapoalim 111%
Bank of Ireland 111%
Bank of Ireland 111%
Bank of Ireland 111%
Bank of Scotland 111%
Canada Permanent 111%
Cayzer Ltd. 111%
Cotlank Na 111%
Citibank Na 111%
Citibank Na 111%
Citibank Savings 114%
Citibank Na 111%
Cotland Bank 111%
Consolldated Credits 111%
Continental Trust Ltd. 111%
Consolldated Credits 114%
Consolldated American Express Bk 1

#Guinuess Mailon 111%
#Hambros Bank 111%
Heritable & Gen. Trust 1114%
Hill Samuel 111%
C. Hoare & Co 111%
Hongkong & Shanghai 111%
Johnson Matthey Bkrs 111%
Johnson Matthey Bkrs 111%
Knowsley & Co. Ltd. 12 %
Lloyds Bank 111%
Edward Manson & Co. 121%
Midland Bank 111%
Morgan Grenfell 111%
Morgan Grenfell 111%
National Bk of Kuwait 111%
National Bk of Kuwait 111%
National Westminster 111%
Norwich Gen. Trust 111%
Norwich Gen. Trust 111%
Provincial Trust Ltd. 121%
R. Raphael & Sons 111%
Royal Bank of Scotland 111%
Royal Trust Co. Canada 111%
Standard Chartered 111%
United Bank of Kuwait 111%
United Bank of Kuwait 111%
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# FINANCIAL TIMES SURVEY

Tuesday April 8 1986

# Employee Ownership

As many lose faith in conventional capitalism and socialism, the search for a third way of organising employment is suddenly more urgent.

## The road from Rochdale

By John Lloyd

be coming. By job ownership, we mean any and all schemes which give workers some direct stake in the companies or organisations for which they work.

The defenders of the first two ways would claim that they offer at least a measure of job ownership. Conventional capitalism, it would be said, is open to all people of talent: a future Sainsbury or Macy is presently shouting for custom in a London or New York street market. On the state ownership side.

Enterprises Patronales, founded a vigorous co-operative movement which was customarily aggressively anti-capitalist, and which survived to this day: similar developments occurred in Italy, where the flourishing co-operative sector is to a sig-nificant extent linked to the powerful and increasingly market-orientated Communist

SONITROL PICKFORDS TANKFREIGHT TEMPCOUNION WASTE MANAGEMENT

JOB OWNERSHIP'S time may be coming. By job ownership, we mean any and all schemes which give workers some direct stake in the companies or or those who work with it.

Historically, job ownership is boom; but then it opened its door to new, non-working share-holders who financed a new mill, and quickly became just another joint stock company.

stake in the companies or organisations for which they work.

The times look more propitions for the movement because, while there is a general disaffection with conventional capitalism (not least because of high unemployment throughout most of Western Europe) there is also a general loss of faith in conventional socialism, defined as state ownership, among the socialist and even the commonst parties of the West. The search for a third way is thus more urgent than usual.

The defenders of the first two ways would claim that they offer route in favour of state owner-ship and class-based trade

The 1970s saw a revival

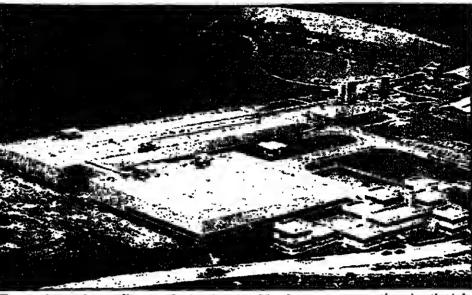
on the state ownership side, fundamentalist socialists say the state is "public" assets by the state is "public".

In the UK, the beginnings of the people regardless of wealth, class, race, sex or ability.

But, for the advocates of job ownership, sich arguments cut less and less (see, because they a mixture of Chrisaless and less (see, because they abstract. Conventional, big corporate abstract. Conventional, big corporate aphrance copperative abstract. Conventional, big corporate aphrance copperative and in practice, by its own in practice, but in practice, by its own in the state ownership side, on the state ownership side, the state ownership side, powerful and increasingly. The debate, stimulated by the powerful and increasingly. The debate stimulated by the powerful and increasingly. The debate stimulated by the powerful and increasingly the system of the socialists undary of the suchect as table circulation.

In the UK, the beginnings of the subject, resulted in a capitalism, a strain which had remained vigorous since the Founding Fathers, was modernised by Louis Kelso and Mortimer Adler in the 1950s and 1870s, and increasingly the growth of either a popular exherted at stable circulation.

It is hard to envisage these point of substantially changing old anti-hoss attitudes; and at handle powerful and irreasingly of the subject, resulted in the subject in the 1950s and largely unpopu



Fagor domestic appliance plants, in the Mondragon co-operative in Spain's Basque country. Mondragon has become a beacon for co-operatives everywhere See Robert Oakeshott's profile article on Page 3.

Labour lost office with little evident regret.

More important, though no more successful, the hrief tenure of the Department of Industry hy Mr Tony Benn (1974-75) resulted in the financing of three co-operatives: the Meriden motor-cycle plant, Kirhy Manufacturing and Engineering, and the Scottish Dally News (formerly Express).

The ultimate Christian phase during which they would not haps the major one—is that haps the ma merly Express).

The ultimate failure of all of

interest in the subject in the test masks substantial UK, as a Labour government differences between them. The took office, pledged to introduce SDN failed rapidly, in spite of measures of industrial democracy.

SDN failed rapidly, in spite of the involvement (some would say hecause, but that is unfair)

the experience of the Mon-dragon co-operative, in Spain's Basque country, has become a beacon for co-operatives every-

In the US, a quite separate development was producing a different kind of success. Popular capitalism, a strain which had remained vigorous since the Founding Fathers. was modernised by Louis Kelso and Northern Adler in the 1050-

husinesses as the main sector for providing employment — hence the enormous concentrapreneur.

We may be witnessing, then,

# Sharing in, buying out

EMPLOYEE OWNERSHIP comes in a variety of forms in Britain. There are fully employee-owned worker cooperatives, discussed in another article. There are companies which distribute sbares to their managers and/or employees, usually as an incentive payment using tax breaks contained in recent legislation.

There are privatised com-panies, where management and employee shareholding is either central, as in the National Freight Consortium and some of the privatised shipyards, or a small element among a wide spread of sharebolders, as with

British Telecom.

A half of all companies with recent report by Copeman only a small effect in areas like Paterson, a management con-sultancy. Yet it is certain that recruitment and staff turnover. the interest in employee owner-ship will grow, not least because

**Partial** ownership DAYID THOMAS

after the huyout has been com-pleied, though admittedly after a period of job shedding in the run-up to the buy-out.

run-up to the buy-out.

However, more cautious notes have also been sounded. A recent study hy Incomes Data Services concluded "there is very little evidence from detailed analysis that these schemes do in fact change employee attitudes." The Copental Patenter Survey found that A hatf of all companies with more than 10,000 employees already fay on an employee companies reported that emshare scheme, according to a recent report by Copeman only a small effect in areas like

There are some structural problems too. The Inland Revenue has approved more of Government backing. Revenue has approved more Scarcely a Budget goes by schemes under the 1984 diswithout some refinements to the cretionary provisions for senior three main schemes which en-management than under the courage employee share owner- 1978 and 1980 provisions put

three main schemes which encourage employee share ownership is in danger of heing seen as a perk for senior management huy-out are in vogue among financial institutions. The pace of privatisation looks set to quicken. Unlons too. are getting in on the act, through the medium of Unity Trust, the medium of Unity Trust, the union-backed hank, whose senior executives have recently returned from the US determined to introduce employee share ownership plans in Britain.

The Industrial Participation Association has found that the profit shares did significantly better during the eight years up to 1984; for senior management than under the prosition and 1980 provisions put 1978 and 1

A similar problem is why are there plenty of management buyouts, but fewer buyouts indid significantly better during the eight years up to 1984; for buyouts, but fewer buyouts involving most of the workforce. Share were 12 per cent better and their return on capital employed was 33 per cent better.

In their book, Management Buyouts, published last year, Mr John Coyne and Mr Michael Wright of Nottingham University found that management buyouts tend to take on lahour motivation of the top managers. buyouts tend to take on lahour motivation of the top managers.

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## Employee Ownership WHY? HOW?

It isn't easy to convert an existing business to employee ownership. And it isn't easy to start an employee owned business from scratch.

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And both can be extremely worthwhile. Among the situations particularly appropriate are:

- Family businesses facing succession problems.
- Public sector undertakings facing privatisation. People' companies which would otherwise have to
- Existing arrangements which may be dysfunctional, as when a private company is owned by its pension
- New ventures based on a specific craft or set of skills We offer expert advice to companies about their employee ownership potential. Would it be right. How to go about it.

Contact us for more details. Or as a first step, send \$10 for a copy of "Employee Ownership: Why? How?". As Andreas Whittam Smith said in the Daily Telegraph: "It is one thing to discuss the merits of employee owned businesses... it is quite another to know how to convert an existing company...That is one of the merits of the booklet "Employee Ownership: Why? How?" published by JOL."

## Job Ownership Ltd

9 POLAND STREET, LONDON WIV 3DG. Chairman Philip Baxendale Chairman Emeritus Lord Grimond

#### LAURA ASHLEY



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Three success stories

# Partners for 60 years

JOHN LEWIS Partnership, the retail group, has e history of employee ownership stretching back well heyond the current interest in employee owner-

The partnership principles date from the 1920s. Mr Spedan Lewis, the driving force behind the esteblishment of the pertmership, so it is said, was dismayed to realise that the income drawn by his father, brother and himself from the

business in the eerly 1900s was more than that paid to the rest of the staff in total. So the John Lewis Partner-ship considered the Chancellor's snip considered the Chancelor's conversion, which be dwelt on in last month's Budget, to the idea of some part of earnings varying in reletion to profits,

"That is what the pertnership has been doing since 1929," was the response of Mr Peter Lewis, current chairmen, and nepbew of Spedan Lewis, the pertnership founder.

He added: "It has for some time been strange that employees in by fer the most comprehensive profit sbering and employee ownership organisation in the UK have been excluded from the very tax benefits that are said to be for the encouragement of such

Last year, the partners-all staff except temporary em-ployees—sbared ebout £31m es pertnership bonus." This amounted to e fifth of each new business.

employee's pay.

The parmership is not just a matter of profit-sharing. It depends, too, on information-sharing; for instance, through the company's weekly Gazette, which carries letters, often unsigned, raising everything from the supposedly long leave enjoyed by the deputy director of trading, to the plight of a bomeless employee and the decision of a Waitrose supermarket in Newmarket to stock Worcester sauce but not Lea

end Perrin's fruit seuce. when
Managers are eccountable drawi
to their fellow partners, the
rest of the employees. The epex cade. of John Lewis's consultative arrangement is the elected Central Partnership Council, which represents all grades and occu-pations. The council nominates five of the 12 directors on the company's board, and has the

THE National Freight Consortium is widely considered the jewel in the crown of recently established employee - owned firms and with some justice.

Since the company's managers and workers took over four-fifths of the equity in 1982, in one of the Thatcher govern-ment's earliest privatisations, the company has combined both very tangible business achievements with innovations in the field of employee involvement.

So when the company unveiled its latest report and accounts, it was able to boast both a 54 per cent increase in treding profits and nearly 4,000 new employee sharebolders.

Sir Peter Thompson, NFC chairman, bas ne doubts that employee ownership bas been fundamental to the group's suc-cess. He describes it in almost mystical terms as "the bidden plus factor" and "the magic ingredient."

Yet there is nothing particularly mysterious about how the the company has been altered by beying more than half its workforce holding shares. It is e simple matter of the workers beving e reason for taking a greater interest in the health of their compeny. Depot managers ere full of stories of drivers says, thinking hard about finding A

NFC workers who bought shares back in 1982 have seen their value rise 22-fold in res-

The company has put a lot of effort into finding out what its employee shareholders really want—not just et the packed annual meetings which regu-larly generate media attention, but also at 32 shareholders' meetings beld in the regions market in Newmarket to stock each year. Special shareholders meetings were called in 1984, when the top managers were drawing up their broad strategy for the second ball of the de-

Through these means, the company was able to take its employees with it when it expanded into new businesses, such as the bulk supply of liquid petroleum gas, the security business and car leasultimete power of replecing the ing. and into foreign markets company's chairman. such as the US.



Spedan Lewis founded the John Lewis Partnership.

BAXI

THE BAXI Partnership, the heeting appliance manufacturer based in Preston, is in the pro-

cess of transforming likely frome family-owned company, which was always strong on employee participation, into a full employee-owned company.

Family share bolders, led by Mr Philip Baxendale, the chairman, sold out their boldings in 1983, but they did so in an unconventional way. They gold out to an employee trust which out to an employee trust, which at first held all the shares but is gradually transferring them is gradually transferring them to all employees through a free share issue each year. The 1,040 employees so far own about 11 per cent of the shares.

The Baxendale family decided it would not all the shares.

it could not sell the company in the normal way, because it feared that e competitor would move in and close the operations. The people who had belped me build up the business would lose their jobs, and I didn't feel it was mine to sell in that sense," Mr Baxendale

A Partnership Council, with members elected from the employee shareholders, was set np to reflect this transfer ownership. Mr Baxend Baxendale

likens its role to the joint worker-management supervisory boards in West Germany.

One interesting decision made since the company became a partnership is not to make acquisitions away from Preston, reflecting the wish of the workers that any growth chould benefit the local community.

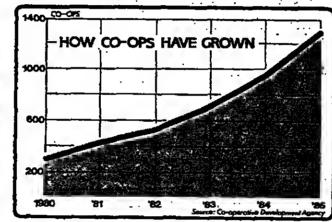
With a prestay profit of \$5.5m. . With e pre-tax profit of £5.5m

on a turnover of £38m last year, and with employment up from 900, in 1983, to 1,040 now the company certainly seems successful. Yet Mr Baxendale is careful not to exaggerate the benefits of employee ownership. He stresses that the company hed been participative for e long time: it has had a works council since 1963 and profit sharing since 1965. So the

move to employee ownership was evolutionary not revolutionary.
Mr Baxendale and Mr Ian director, Smith, managing director, reckon that employee ownership has brought clear benefits other than an all-round improvement

One gain, the chairman says is on quality. Another, Mr Smith suggests, was the smooth way in which the company was able recently to introduce a common

status for all employees David Thomas



## Esop's fame is spreading

JOHN HOYD

which interest is now being apply it to BL's Land Rover aroused in a number of Western European countries, is best seen at work in the U.S. seen at work in the U.S.

focused on the employee share ownership plans, or Esops. The most common example of the scheme (known as "leveraged Esops") is where an employee trust acquires shares in the not realise the full value of their shares until they leave the

in Pennsylvania; and Seymour Speciality Wire Company, in Connecticut. These companies use what has been called a two tiered scheme—where the employees mandate the decisions of the trustee board—in order

more and more into plans to save threatened corporations and turned to Esops as one way

In 1984, when the Prontier airline was near to collainse, the flight ettendants, led by Ms Lorraine Liffin and backed by four unions, made a bld through an Esop of 17-cents per share for the company. The bid was beaten, and the company finally

This idea of a second-tier co.

op has found its first example in

The US

WORKERS' CAPITALISM, in

Most attention has now company, through a loan guar-anteed by the company and paid back by company profits which are exempt from tax because these payments are counted as deferred wages. As the loan is paid off, the Esop shares are allocated to the employees accounts, but the employees do

company. ... Esops are not merely a new kind of co-operative: indeed, their origins and their structheir origins and their struc-ture ensure that control gener-ally remains with professional managers and with the trustees, who are typically lawyers and financial advisors. Only when the Esop is so structured as to ally remains with professional managers and with the trustees, who are typically lawyers and employment and output financial advisors. Only when the Esop is so structured as to dictate that the trust committee follows the voted decisions of the shares' owners—that is, the labour (and output) at its full company workers—does a "democratic" version of an Esop come into being. Some of the price (or value) side (worthese include the Solar Center, kers are temporarily not paid their marginal value). company workers—does a "democratic" version of an Esop come into being. Some of these include the Solar Center, in San Francisco; Atlas Chain.

acquired by People Express, tiself an employee-owned cor-

The practice is apreading in the past month Unity Trust the new bank set up two years ago with finance from a group of major unions has taken up the Esop idea and is seeking to

Malcolm Huriston, an adviser to Unity Trust, says: "Britain's new interest in Esops comes at a time when American unions are beginning to become active rather than passive players in the game. Britain is now in a position to take up the best of American experience sid atlapt it, at a time when there is a political cousensus in favour of employees having a role in ownership."

Martin Weitzman, the Mases chuseetts Institute of Tech-nology professor who has done much to popularise the concept of profit sharing, sees, it hist and foremost as a means of increasing employment. He

Other things being equal, under a profit sharing system the firm is more inclined to extheir marginal value).

#### Personal rights

"Wage economies, or the of the trustee board in order to keep effective control in the hands of the employees.

Union leaders in the US were Initially hostile to Esops. However, under pressure of ginal value, while the diantificationers, US unions were drawn more and more into plans to

There exists, however, a co-There exists however, a cooperative sector in the US
which—though not as large as
the Esop sector—has continued
to thrive in a small way.—One
group are the so-called plywood co-ops—the grouping of
plywood, companies in the
Pacific North West, which represent the older co-operatives.

Some newer co-ops have
begun in the past two decades:

Some newer co-ops have begun in the past two decades, explicitly modelled on the Mondragon's experience. In these, eccording to Devid Ellerman, of Boston Management. College, the ownership or membership rights are personal rights attached to the role of working in the firm to fine. working in the firm—so the workers hold these rights. because they work there."

The debete in the US points up the sharp differences between the co-operative and the Esop structures. In the first, the democratic participation in the running of the company, or at least in the major decisions taken is a large—perhaps the largest—part of the impetus in-creating this form of company.

workers capitalism, however, is concerned with different goals—whether these are the maximisation of employment, or the maximisation of employee involvement in capitalism, or simply the maximisation of profit given enew kind of "democratic," or at least populist, sanction

. Workers' capitalism.

# It's fabulous!

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\* National Center for Employee Ownership (1984)

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# Alternatives to

#### Co-operatives DAVID THOMAS

A DISUSED Coventry engineering factory, which squats beneath the railway arches carrying the Nuneaton branch line, has been turned into small workshops for producer co-op-

Eighteen months ago the co-ops filled half the factory space. Today, with about 25 co-ops employing more than 100 people, they have expanded to fill the whole factory. A theatre group, a manufacturer of cycle stands, graphle designers, e boat builder and computer workers — all these co-ops are huddled into the Coventry factory.—

Worker co-ops are one of the surprising success stories of the

surprising success stories of the 1980s. A decade ago, they seemed relics from the past. A small number, mainly in the East Midlands, bad survived unnoticed from the last producer co-op boom in the closing years of the Victorian age. What new initiatives existed were divided

initiatives existed were divided unpromisingly between the 1970s. "Benn co-ops," like Meriden, and the wholefoods-and-sandals fringe.

In the 1980s, all that changed. In 1980, there were 305 co-ops employing 5,300 people. By last year, about 1,300 co-ops were

year, about 1,300 co-ops were employing well over 10,000 people.

There is greater variety now too. Ten years ago, new co-ops tended to be the creation of well-educeted, middle class idealists, Such co-ops still exist, but they have been joined, and if anything out-numbered, by co-ops started by middle-aged redundant manual workers and by voming people who have never

redundant manual workers and by young people who have never had a steady job: both groups see co-ops as the only alternative to the dole.

British co-ops beve been strong enough during the last two years to organise their own international trade fair in Kensington Town Hall.

Research by Mr Saul Estrin of the London School of Economics.

Research by arr saul Estim of the London School of Economics, admittedly on co-ops which existed before the recent boom, suggests a link between the performance of co-ops and the degree of participation which their structure encourages from

nembers. Yet not everything is rosy. A recent report on workers' co-ops by the Co-operative Bank and PA Management Consul-tants urged action in three main areas: improved management, the freer-raising of capital and the acceptance by co-op members of defined roles within the company they control jointly. The first two — management

and money-are the same gether to form a co-op of their problems identified by Beatrice own for marketing purposes. century ago. tury ago.

Management. "The deep Society, 2 co-op set up to help

Management. "The deep long-run problem is education and training," according to Mr George Jones, CDA chief executive. Many co-ops are set up by workers who know bow to make a product, but lack skills such as finance and marketing.

Co-op support agencies, like the CDA, have long been involved in running praining development. as finance and marketing.

Co-op support agencies, like the CDA, have long been involved in running training courses for co-op members. But now they are branching out into more direct ectivities to plugthe management can.

For instance, the CDA has re-cently come up with the idea of encouraging co-ops and other small businesses to band to-

development.

To meet this problem, the CDA has devised an Equity Participation Co-operative with two types of shares: the first restricted to co-op members gives enhanced voting rights, the second is available for outside investors.

# Perk up

If your company hasn't established a share incentive scheme yet, you should seriously consider one.

The scheme's success depends ultimately on how well your company performs. But it'll form an extremely attractive and

highly regarded part of your employees remuneration package. What's more it could get your company

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find recruiting an absolute delight. If you're thinking of establishing a scheme or you'd like to discuss how a scheme could work for you our specialists would be happy to help. Ring David Beech or Nigel Frudd in London on 01-251

CHARLER CO. Services of the party INCOTTY ROAD TO NEW A LOCK 2ND

BY ROBERT OAKESHOTT

# A difficult time under the left

France PAUL BETTS

movement has been undergoing a major uphaval. The last few years of Socialist government, now ended by the formation of a right-winggovernment led by Mr Jacque Chirac, were ironically abong the most difficulties the co-operative movement has faced lately. The glassworks of Albl. France's oldest co-operative, started by Jean Jaures, the founder of the French Socialist party, has been forced to lay off workers in the year of its centenary.

When the left came to power in 1981, win the victory of Mr Francois sufficient in the presidential elections and the subsequen Socialist landslide in the gneral elections, the co-operative movement expected a new err of expension.

a new ere of expansion.

The Soialist government, at major financial rescue package the beginning at least was of more than FFr Ibn had to extremel favourable to the co-operative idea as a source of troubled distribution co-operance job. But with the recestives.

of economic rigour, the cooperative movement inevitably felt the impact of the squeeze. However, the stat in the THE FRENCH co-operative of the difficulties the co-opera-

tive movement has faced lately. The glassworks of Albl, France's oldest co-operative, started by Jean Jaures, the founder of the French Socialist party, has been farced to lay off workers in the year of its centenary.

The FNAC, the book and consumer electronic goods dis-

consumer electronic goods dis-count store chain, a flagship of the Co-operative movement, has been taken over hy the Garantie Mutuelle des Fonctionnaires and Habitat-Mothercare. At the end of last year, a

tive to salvage a bankrupt company dating back to 1885 and known as "the old lady of Saint-Etienne." Behind these spectacular cases lies a fundamental problem: the failure of the co-operative movement to adapt



FRENCH CO-OPS

quickly to major changes in both French industry and commerce, acknowledge leaders of the co-operative system.

1979

Changes in the marketplace have inevitably forced a change of thinking in the co-operative movement. As a representative recently said: "The movement bas not lost its soul. But its businesses must now be managed as efficiently as those in the private sector."

This pragmatic approach has already permeated the indus-trial and productive sector of

than the distribution field. The industrial and productive co-operatives are grouped in an association called the Societes Co-operatives de Producture (SCOP). While this sector has not been spared its share of problems, difficulties have been offset by the continued growth of the new productive co-oper-atives and a number of specific success stories.

Co-op start-ups

1982

1981

1983

Here jobs created

Last year, for example, 280 new productive co-operatives were set up, creating 2,500 new jobs. The year before, 230 new co-operatives created 2,577 jobs.

#### ways in which the Mondragnn (CLP). co-operatives, in the Basque pro-vinces of Spain, may have come give so ane statistics in the table current Ulgor workforce of give some indication of the 2,200—roughly two-thirds of to the affention of today's

British public. First, they have been increasingly presented as a kind of improved "industrial order"a model for the last quarter of this century, in much the same way as Robert Owen's New Lanark was seen in the first

Second, and particularly over the last couple of years, the Mondragon co-operative group has started to win a sbare of has started in win a share of Britain's white gnods market, especially its market for gas cookers. From virtually zero sales in 1982, its gas cookers sold under the brand name Fagor, captured roughly 8 per cent of the UK market and sold 45 000 the UK market and sold 45,000 units in 1985.

Any balanced review in 1986 must attempt to do justice to the group both as a set of businesses and as pointing to the possibility of a new, and employee-owned, industrial

Under the first of these beadings, it is fair to quote at the oniset a judgment of the business magazine, Spanish Directo, The group's gas cookers and other "white goods" are manufactured by the oldest and largest of the Mondragon co-operatives. Ulgor. In a list which included six Spanish subsidiaries of multinationals, Ulgor was named by Dinero as one of the country's 10 "exemplary" companies.

Ulgor was launched from scraich by five young engineers and with a workforce of just 24 people in 1956. It had been inspired by a remarkable Basque priest, Fr Jose Maria Arizmendiarrietta, till his death in 1976 unquestionably the group's "spiritual entre-preneur." But he was also much more than that, for his hand lay behind the rules of which the group has adopted.

At least in a drawing-board sense, he was the architect of increasingly celebrated savings and investment

THERE ARE two quite separate bank, the Caja Laboral Popular co-ops is matched by the diver sity of their size. As against a

are coming to Britain

Basque gas cookers

scale and size of the group at what it was aties peak in 1980 the end of lest year. A single—the smallest industrial units enterprise employing 24 people in the group employ fewer than in 1956 had become a diversified 20. Their average workforce group employing a workforce of size, excluding Ulgor, is around over 19,000 some 30 years later.

There

There are a handful of agricultural co-ups in the group. There arehousing co-ops, and a network of schools structured in a co-operative form. There is also a rapidly expending chain of retail stores. Aut it is the industrial ventures that account for the great bulk of both sales and employment, and which have provided the group's cutting edge since the begin-

ULGOR has already been menhas been the leading Spanish-owned producer of white goods. Machine tools, earth moving equipment, bicycles, bus bodies, building materials of various kinds, and an array of compo-nents, especially electrical and electronic ones, are among the group manufactures. The cost of jobs in new manufacturing ventures promoted by the group in the last few years has typically averaged about \$30,000.

The diversity of products manufactured by the industrial

CONTINUED ON NEXT PAGE

The figure has perhaps even less significance than averages

usually do, for the individual

industrial co-ops have increas-

ingly linked themselves into sub-groups. Of these the largest

and most important is called Ularco. It embraces a total of 13

co-ope, including Ulgor, and its workforce numbers close on 8500, All Ularco's output is now

marketed under the trade name

Up to 10 years ago, studies of the Mandragon group were

mainly the work of people who

more recently the co-operatives have been subjected to searching analysis by hard-nosed economists. In particular, they have been "gone over" in both

the expansion and recession obase of the business cycle by

Dr Keith Bradley, of the

could in some sense regarded as enthusiasts.

Fagor.

# New challenges in centenary year

Italy CHARLES SOUTH

44

rights"

7-7-20 (A)

DAMS IN Mozambique and Zimbabve, roads in Fanzania and Sonalia, grain silds in Iran and Algeria are among foreign orders won by Italy's ninth largest construction and civil

engineering firm.
It is not a private or a state company, but the country's leading industrial cooperative, nwned by 1,888 workers out of a total workforce, including temporary and foreign labour, of 4,932. Muratori Cooperativa

Cooperativa Muratori e Cementisti (CMC), // Ravenna doubled net profits in 1984 to L11,033m (£4.9m). Among others, almost as feell known, are Editer, of Pologna, and CMB, of Carpi in Emilia.

They are three of the 1,340 "production and Ibour" (manufacturing and coistruction) coops among the £5.422 in the League of Co-operatives, which celebrates this war the centen-

the three main groupings in the co-operative movement. The Catholic-inspired Con-federation is larger, with 4m members in 22,678 co-operatives (11,532 in production and labour), generating overall turnover in 1985 of about L1S,000bn (£6,700m).

The efforts of its president, Dario Mengozzi, have been absorbed in nrganising recovery from the brink of a financial disaster which loomed under his predecessor, a mem-ber of the banned P2 masonic lodge.

The smallest grouping, the Association, incorporates about 850,000 Republican and Social Democrat sympathisers in 6,328 co-ops (1,179 in production and The League, if it is to meet the challenge of 21st century capitalism, bas decided that a

necessary. The changes stem from the League of Co-operatives, which realisation that the League has bitherto been too much of a mass organisation.

fundamental reorganisation is

The League makes the like a trade union or political further reforms of legislating, greatest economic impact of party, and that it much instead At present a ceiling of L30m the three main groupings in become a sistema di imprese. (£13,300) is pot on a member's the co-operative movement an integrated system of busi-stake in an industrial co-op, and nesses. There must be less ideology and more management, without loss of the bumane spirit characteristic of the move-

France, a bankruptcy court last year placed the final nail in the coffin of SCOP Manufrance by declaring the co-operative venture liquidated.

Manufrance had major sychological repercussions for

psychological repercussions for the co-operative movement. It represented an unsuccessful attempt by the pro-Communist CGT union to set up a co-opera-

ment.

Besides making changes in the organisational layout, the League is strengthening its financial and technical back-up. nnancial and technical back-up. It already has the fast-growing Unipol, which in 14 years has moved from being the 120th to the ninth Italian insurance company, and Fincooper, a financial consortium of 1,600 member co-ops that acts as an internal bank. internal bank.

Now the League has estab-lished a commercial bank, Banca Nazionale dell'Economia Cooperativa, which awaits Bank

of L40m (£17,800) on what he may lend to it. Not more than 12 per cent of members may be white collared. Co-ops are unable to float bond issues.

Many manufacturing cooperatives are in traditional activities, in the wake of the nriginal venture at Altare, in Liguria, in 1856, when the local doctor ensured the survival of the village's art of glass-blowing after a cholera outbreak ny getting 84 craftsmen to pool their efforts. A few, such as an iron foundry at Modena and La Ceramica ceramics co-op, at Imola. in Emilia, belong to both the League and the

Confederation, The movement is pressing for leader in supplying plant and the middle class.

equipment for ceramics and tile manufacture. Some are small or struggling. Cooptex-64, with 25 members at Ottana in Sarduna, has carved

a niche with a sub-contract for the "tow to top" process for a big ENI artificial fibres plant there. On the other hand, Zetronic, at Padova, which ran into marketing difficulties abroad for its electronic components, has succumbed to a takeover by a private US company, Molex, though the 376 member co-op retains a minority holding. No cross-section

ownership should fail to men-tion the ventures set up by professional people in informaties and software, town and country planning, environcountry planning, environ-mental preservation and waste recycling, and other advanced cooperativa, which swaits Bank of Italy authorisation to start of the former Pozzi-Ginori works, is the convergence of those in the League have a strong idealogical motivation, being formed of exstudents in in Italy making large-scale integer in the ferment following 1968. Such initiatives are a growth has broken new ground by applying for a Milan Bourse listing,

The movement is pressing for a movement is pressing for a movement is pressing for leader in supplying lant and other advanced recycling, and other advanced recycling, and other advanced recycling, and other advanced recycling, and other advanced recycling.

#### Key structural features of Mondragon's industrial co-operatives

- Sovereignty rests with the General Assembly of ali worker owners.
- The General Assembly elects directors, who appoint management.
- Only workers may be members. With minor qualifications, all workers must be
- Joining members must put up a significant capital stake (at present about £2,500).
- Up to 70 per cent of net profits may be allocated to members, but must be reinvested.
- The balance of any profits must be allocated to a combination of reserve funds or to social proects in the community.
- Members may not withdraw their accumulated shareholdings till they leave.
- There is a commitment to an "open door" policy, which means that, other things being equal, employment expansion must be priority.

# Partnership on the scale of modern industry

#### The John Lewis Partnership

The Partnership is a retail business run on co-operative principlas. In 1985 sales were £1,370 million and the net assets employed were £363 million.

Compa	rative sales		
	JL dept at	ores Indax 1981=100	National non-food retailers Index 1981=100
1981/2	440.4	100	100
1982/3	500.1	114	109
1983/4	572.4	130	118
1984/5 ·	638.1	145	129
1985/6	718.5	163	139
	<b>Waitrose</b> £m	Index 1981=100	National food retailers Index 1981=100
1981/2	359.3	100	100
1982/3	411.6	115	108
1983/4	487.6	136	116
100/15	553.7	154	126

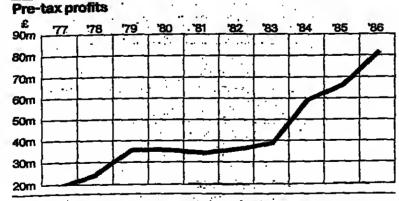
The business belongs to those who work in it. All except those engaged temporarily are Partners from the day they join, and all the ordinary share capital is held by trustees on their behalf.

176

634.1

1985/6

£)



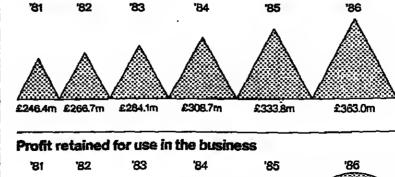
Under irrevocable trusts Partners get all the profits, after provision for prudent reserves and for interest on loans and fixed dividends on preference stocks. Distribution is made direct in the form of Partnership Bonus, shared among Partners at the end of the trading year as e percentage of their pay; in 1986, this amounted to £31 million and the rate of distribution was 20 per cent of each Partner's pay. Bonus payments are made in addition to market rate pay.

Total cash bonus in £ million 66 88 138 147 126 157 174 Parthership Bonus, paid as a percentage of market rate pay, has varied between 14% and 24% since 1977, the average being 18%. The principal authorities in the Partnership under its written constitution are the Chairman; the Central Council, representing all Partners; and the Central Board (the Board of John Lewis Partnership plc), five of whose twelve directors are elected by the



The Chairman, Mr Peter Lewis

The Partnership aims to run its business efficiently and competitively, and at the same time to enable its members to enjoy full information about it, to express their views freely, to co-operate in shaping its policias, and to share in its rewards. Management is accountable to the general body of Partners, in particular through elacted Councils and through the Partnership's journalism.



Net assets employed

£18.8m £19.7m £16.3m

In April 1986, the John Lewis Partnership has 21 department stores and 80 Waitrose supermarkets. Ancillary to these are a textile print works and a weaving mill; production units for kitchen and cane furniture, beds and quilts; and a 4,000 acre farm.

#### Pension scheme

There is a non-contributory pension scheme for Partners which has assets approaching £200 million.

**Employees** 1905 1920 1930

1,000 2,000 10,000 11,000 14,000 19,500 27,500

The total number of Partners in Jenuary 1986 was 28,800.

#### Leisure facilities

These include two residential country houses on a Hampshire estate with a camp and a golf course; a country club and golf course at Cookham; a residential house in Ambleside; and the parmanent lease of Brownsea Castle on Brownsea Island in Poole Harbour. The Partnership also owns a fleet of four ocean-going yachts based on the River Hamble in Hampshire.

#### The Partnership's journalism

The Partnership's journalism is the principal means by which information, explanation and opinions are exchanged between management and the managed. Views expressed in the journalism are not necessarily those of the management, unless this is clearly stated.

The weekly Gazette, which has been published since 1918, covers the affairs of the whole Partnership; thirty branch Chronicles, most of them also weekly, deal meinly with local

Readers' letters are welcome, signed or anonymous. They are publicly acknowledged on receipt, and are published with appropriate replies as soon as possible.

#### The Partnership's aims

"The Partnership's supreme purpose is to secure the fairest possible sharing by all its members of the advantages of ownership - gain, knowledge and power; that is to say, their happiness in the broadest sense of that word so far as happiness depends upon gainful occupation."

The Founder, John Spedan Lewis (1885-1963)

The John Lewis Partnership of

and National Freight, suggests that the argument is false. It also suggests that, so long as employee-owned firms are able to recruit and retain high-quality management, there is no reason why the degree of employee ownership, whether collective or individual, should not extend to 100 per cent.

As well as employee ownership, whether ship, this survey has had as its focus profit sharing—but profit sharing in the traditional sense, which assigns to employees some part in the return to the joint efforts of capital and labour which conventionally goes to the former. Space does not permit more than a passing reference to profit sharing in the sense in which it has lately come to be used as result of the work of Professor Martin Weitzman, of the Massachusets Institute of Technology. This second type is more like share-cropping, or like the sbare system of remuneration in the Scottish inshore fishing fleet which bas operated for as long as anyone can remember.

Could anyone have conceived,

even five years ago let alone at the time of the Bulock Report

that its advocates in 1986 would include Mr Roy Hatersley and

the managing diretor of an investment institution with trade unions amon its chief shareholders?

What on earth would the Webbs have made out?

C

and National Freight, suggests that the argument is false. It also suggests that, so long as employee-owned firms are able

operated for as long as anyone

THISTON THEO BRITINGS WHITH O 1900

# Watch out for the cross-party consensus

THOSE WITH a taste for the long march of history can trace back this country's political-party interest in profit sharing and employee ownersblp to the famous report, Britain Industrial Future, published in 1928 as the outcome of a Liberal Party industrial enquiry.

Ten years later, the party was beating much the same drum with another report, Ounership for All, which was praised in a Manchester Guardian leader for "breaking new ground." THOSE WITH a taste for the

Nearer to our own times, it as, of course, as a result of iberal pressure during the Lib-Lab pact, that a British Government in the 1978 Finance Act, introduced the first ever tax concessions in favour of profit sbaring and share ownership by employees. If the clock bad stopped in "genuine abare incentive 1978, it is a fair bet that future schemes increase the wealth historians would bave discussed and influence of the employees who take part in them, as well and dismissed—this Liberal wbo take part in them, as well commitment as yet another example of the party's espousal of worthly lost causes. Yet over Moreover, if there is a party

The future ROBERT OAKESHOTT

parties, rather than Mr David Steel, who have sought to Steel, who have sought to emphasise the virtues of em-ployee ownership and profit sharing, and their own commitment to them.

ment to them.

It was John Moore, not David Steel, who told a distinguished audience in 1984 that "employees who are also owners will correcly perceive an absolute identity of interest between themselves and the success of the companies for which they work." which they work."

It was Roy Hattersley, not
David Steel, who told a differ-

ent but equally distinguished audience last month that

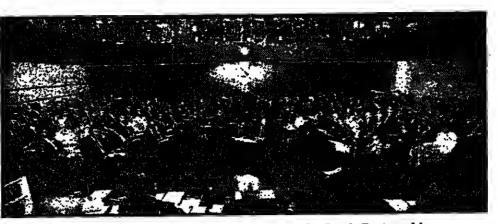
two years it is the SDP.

David Steel, to be fair, reaffirms in his latest pamphlet, published at the end of March, his party's strong commitment to profit sharing and employee ownership.

As we shall see later on, the new political consensus, if there is one, conceals important differences of emphasis and objectives. There may also be more political calculation than conviction behind any Labour and Tory party conversion to employee ownership and profit sharing which bas taken place.

But it will not only be the But it will not only be the policies of political parties that determine the future of employee ownership and profit sbaring in this country and elsewhere. Equally, or more, important will be judgments about the benefits which "industrial partnerships," or similar arrangements deliver. Other articles in this survey Other articles in this survey provide some of that evidence. What reasonable conclusions may be drawn?

In this country, to begin with, there seems to be good evidence



A meeting of the Central Council of the John Lewis Partnership More generally, he is con-cerned that if employee owner-ship creeps up beyond the upper limit, without going the whole hog, management may tend to

made possible by the 1978 Finance Act, is becoming increasingly popular with both the management and the man the management and the workof otherwise conventional capitalist companies. But an important rider needs

to be added to this positive evidence. Schemes introduced under the 1978 Act, and later amendments to it, must be open on an equal basis to all employees. In marked contrast, as their name implies, are discretionary share option schemes, approved under the 1984 Finance Act. The latter normally benefit only a favoured few. But companies have been introducing them over the last couple of years, even more rapidly than those very different ones under the

However, the key point about the latter is the increasing evidence that their introduction evidence that their introduction is divisive. They have a tendency to demotivate the many, even if they provide very special incentives for the few. It is not only the opposition parties which have been voicing criticism. The Wider Share Ownership Council has urged that discretionary schemes should only be permitted to should only be permitted to companies that have introduced "open and equal" schemes, under the 1978 Act, as well.

An insistence on "open and equal" employee (share) ownership schemes also figures pre-eminently in a positive set of statements, in favour of them, which has lately been made from a rather unexpected lution. He defends the upper new quarter. Unity Trust is limit, anyway for quoted public formally registered not as a companies, because it avoids bank but as a "licensed deposit any obligation on the part of taking institution." But it has employee sharebolders to mount money to invest and, in that a take-over bid.

and other ways, is more like than unlike an investment bank. It is owned jointly by the Co-operative Bank and some of our leading trade unions.

be destabilised.

To complete this review of ne evidence for employee

Mr Terry Thomas, Unity Trust's managing director, is an ilmportant witness in any assessment of the likely bene-fits of increased employee ownership in this country for be has lately returned from a study - visit to the US. With one important and analytic proviso, be bas come back as a most convinced and forceful advocate.

After what he bas seen in the US, Mr Thomas believes that genuine employee ownership can confer real benefits not only inside the firm but to its customers. In this respect, bis message la very like the main one carried in its advertise-ment in this survey by National

His analytical point is also worth bringing out. For, in the UK debate about employee ownership, it is too often assumed that the choice is between relatively limited forms, as under a 1978 Act scheme, or still more substantial employee. still more substantial employee ownership as at National Freight.

Mr Thomas argues the case for considering a third alternative in appropriate conditions, namely an employee sharebolding which falls between 25.1 and 29.9 per cent. He defends the lower limit, because it would enable employees voting together to block a special resolution. He defends the upper

## We seek additional lawyers (solicitors or barristers) tojoin the

to complete this review of operated for as long as anyone to end the evidence for employee ownership in practice, just one final point must be added. It is often argued that this is something that is less likely to be successful in the context of large companies than small.

The evidence from the three major UK success stores, John Lewis, the Baxl Partnership pointing when be announced

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## the last few years, and increas-which, more than any other, there seems to be good evidence ingly over the last few months, has devoted intellectual energy that limited employee sbare it is spokesmen for the other to these issues over the last ownership, of the kind first GAS CENTRAL HEATING: IT'S NOT WHICH **BOILER, IT'S WHICH BAXI?**

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But which type of boiler should you choose? Allow Baxi to present the alternatives.

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We sell technology and manufacturing licences to 15 countries and export to 70 countries. Our sales include complete turn-key plants.

FAGOR began in 1956 when five young technicians set up a co-operative company for the manufacture of oil stoves, with installations covering 2,000 m.2

Today, FAGOR consists of 14 companies covering a total floor space of 387,857 m.2

#### Fagor: a case of advanced technology

Closely linked to a basis of scientific research, the FAGOR Group constitutes a focus of applied technological research systematically turning the results of research into innovative products and services.

#### Fagor sees the whole world as its market

The FAGOR Group defines itself as a multi-product and multi-market company.

#### Fagor: a Group which believes in participation

The FAGOR Group operates with the support drawn from the active participation of all its workers. Modern organization and the spirit of co-operation combine to achieve the highest levels of efficiency and quality, all at the service of our customers.



#### staff" of high powered manage-

Mondragon co-ops

Continued from previous page ment professionals.

London School of Economics, and Mr Alan Gelb, of the World Bank: institutions more notable perbaps for prudence and credit worthiness than for "enthusiasm."

These specialists have con-cluded that the co-operatives bave outperformed their conventional capitalist counter-parts in both phases of the husiness cycle.

During the long upswing, they showed higher rates of growth not only in relation to employment but also in terms employment out also in terms of productivity and profits. And they have been strikingly more successful in containing the effects of the recession.

There bave, it is true, been some voluntary redundancies. But, in the main, the group has managed to congroup has managed to contain the employment effects of the recession by other means. By a readiness tn accept lower real earnings on the part of the worker owners; by redeploying members from contracting to expanding co-ops and to newly started ones; and and to newly started ones; and by other policy decisions remin-iscent of Japanese businesses for example decisions to accept zero profits as a price worth paying for extra market

The evidence suggests, in other words, that if we are assessing Mondragon's industrial co-ops as businesses then it would not be too strong to use the same word, "exemwhich Dinero applied to Ulgor. Moreover a close exami-nation of the record would yield much the same conclusion about the CLP as a bank.

As a bank, CLP's essential function has been to mobilise local savings and then to invest them to meet the financial needs of the group as a whole. But it has also performed two other crucial functions. First, through the mechanism

"a contract of association."

which all the individual co-ops must sign with it, the CLP has must sign with it, the CLP has exercised a substantial measure of overall control. The contract spells out the main constitutional and financial rules which the co-ops must follow. Under the terms of the contract the co-ops are further required to agree their plans and budgets with the bank and to report their results on a monthly basis.

In this way the bank has come their results on a monthly basis.

In this way the bank has come to perform functions of entrepreneurial intervention and entrepreneurial intiative, both for the individual co-ops and for the group as a whole. It has done so through what until last year was its "Empresarial Division," now a separate undertaking. This has nrovided the group with an in-house "general

If an individual co-operative is in trouble, or if it is con-templating a major investment, then it is these professionals who are called in to advise and assist. Equally, it is they who have had the main responsibility for midwifing new cooperative ventures from scratch.

The main characteristic handicaps of small businesses in general, and of small industrial co-operatives in particular, are inadequate finance and management resources. But it is pre-cisely in these two areas that the Mondragon group, because of its highly original institu-tions, has enjoyed an immense comparative advantage.

But has it also enjoyed a comparative advantage because of its employee-owned and co-oper character? How far ative character? How far can Mondragon's success be attributed to the way its businesses are structured? Two points are worth making.

First, Bradley and Gelb's work includes evidence that Mondragon's worker owners, both management and shop floor, value their co-operative structure very bighly indeed. The second point is about the

for second point is about the effects on employment of the Mondragon structures. The group's commitment to an open-door policy, of expanding employment wherever possible and sensible is identified as the last of the key features in the box. Perhaps it should be elevated to first place. In any event, it would be hard

to argue convincingly that it did not underpin the enormous expansion of the group during the cconomy's upswing: from a total workforce of a few hundred in 1960, to a figure of over 18,000 20 years later.

Equally, it would be bard to argue that there is no link between its structures and the group's success at maintaining employment during the reces

success in the past does not tell us anything conclusive about what will bappen in the future. The Mondragon co-ops can only point the way to a new industrial order so long as they remain successful

#### Main Group Statistics End 1985

i	Industrial co-ops	90
•	All other co-ops	76
l t	Numbers employed	
ŀ	Saies	
i	Exports	\$230m
	*Converted at 155 peset	
	Courses CLO	

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fixing the scheme in the past;

distracting attention from the main task - serving your customers.

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## COMMERCIAL LAW REPORTS

# Digest of cases reported in Hilary Term

FROM MARCH 5 TO MARCH 26, 1986

Westcott (HM Inspector of Taxes) v Woolcombers Ltd (FT, March 5)

The parent company acquired the issued share capital of three companies for £1,270,380. It transferred the shares to a subsidiary, Topmakers, in exchange for an allotment of shares. Topmakers sold the shares in the three companies to Wool-combers, another subsidiary, for £601,235. The three companies were subsequently wound up. The market value of assets received by Woolcombers in the liquidation was £601,235. 2:r Justice Hoffmann nubeld a finding by the General Com-missioners that the transfers from the parent company to Topmakers and from Topmakers to Woolcombers, were each dis-posals by one member of the group to another, so that each acquiring company was deemed to have given the same con-sideration as that originally paid by the parent company, and the transaction was an allowable loss available to Wool-company. combers for corporation tax

Hamblett v Godfrey (HM Inspector of Taxes) (FT, March

In January 1984 Miss Hamb-lett, who worked at GCHQ, undertook not to join a trade union in return for which she received £1,000. In dismissing her appeal against a decision that this sum was a taxable "emolument" under the Taxes Act, Mr Justice Knox said that the payment emanated from her employment because; (1) the offer was made to all GCHQ staff and was in no degree personal to her as opposed to other employees; (2) the rights in employees; (2) the rights in respect of which payment was made were part and parcel of the employer/employee relationship; (3) payment was received only by employees who chose to continue in employment at GCEQ with the reduced rights.

Ltd (FT, March 11) Miss Hanghton was employed on a German cross-Channel ferry as a temporary super-market cashier, Her contract of employment was governed by English law, and her employer was an English company based in Sheerness. After Miss in Sheerness. After Miss Haughton's employment ceased, she instituted a claim before an industrial Tribunal under the Sex Discrimination. Act, 1975. The Court of Appeal upheld the decisions of the Ladustrial Training and the Employment Appeal Tribunal that there was no jurisdiction to entertain Miss Haughton's complaint because her work was done mainly outside Great Britain.

Bentine Shipping (Private) List that the v An Bord Baiune ("The C referred to Joyce") (FT, March 12) of State, I Under a charterparty ship-

F.T. CROSSWORD PUZZLE No. 5,991

Royal Institution of Chartered
Surveyors v Director-General of
Fair Trading (FT, March 14)

In an appeal by the Royal
Institution of Chartered Surveyors (RICS) from answers
given by Mr Justice McNeill 10
preliminary questions in proceedings for the removal of
particulars from the register of
particulars from the register of
restrictive agreements under
the Restrictive Trade Practices
Act 1976, RICS argued that the
charter was a grant by the
Crown and as such could not be
a restrictive "agreement or
arrangement" between members inter se. In dismissing the
speal, the Court of Appeal
beld that although a member
to fappeal, the Court of Appeal
beld that although a member
probably made a personal bilateral agreement with the
RICS, he was also bound to
comply with the provisions of
the charter, which governed his
relations with other members. bers inter se. In dismissing the appeal the Court of Appeal held that although a member probably made a personal hilateral agreement with the RICS, he was also bound to comply with the provisions of the charter, which governed his relations with other members. The mere fact that a body was incorporated by a Royal Charter did not confer on it Crown immunity or free it from the effects of the restrictive trade practices legislation. practices legislation.

Regina v Monopolies and declared but unpaid dividends due to it from Holliday were an outstanding "loan." Mr Justice Mervyn Davies npheld the liquidator's contention that the dividends were due to Holdings in its capacity as member and its the feet of the chairman of the Monopolies and Mergers. Commission that he lay aside a reference, under the Fair Trading Act 1973, of the proposed merger between Guinness and Distillers, on the ground it that the original proposal referred to him by the Secretary of State, had been abandoned. On Argyll'a appeal, the Court

owners were not to be liable of cargo damage. But the charterparty stipulated that all bills of lading were to be subside to a clause paramount twhich rendered the shipowners liable under the Hague Rules for damage to cargo. After cargo, arrived damaged the charterers refused the shipowners subsequently settled. In allowing the charterers appeal against an arbitral decision Mr Justice Bingham said that there was no ground on which the court could or should imply into the charterers were bound to indemnify the shipowners. Nor could estopped operate in the shipowners favour because otherwise the charterers were bound to indemnify the shipowners. Nor could estopped operate in the shipowners favour because otherwise the charterers would be faced with a choice between taking over the defence of a claim which they believed to be nothing to do with them, or thereafter (if that belief was falsified) finding themselves bound to indemnify even an ill-founded claim and unreasonable settlement.

In re Holliday and Co. Ltd. (FT, March 25)

March 25)

Holdings was the beneficial owner of all the issued share capital of its subsidiary, Holliday. On Holliday's winding up, Holdings asserted that the declared but unpaid dividends that the troub Holliday were an

In re an Application by Generics (UK) Ltd (FT, March

Generics applied to the Comptroller-General for settlement of terms of its "licences of right" under two patents owned by Allen & Hanbury's Ltd. It was particularly concerned to import from Italy where Allen & Hanbury's patent was not afforded protection. The right to import was banned except in "exceptional circumstances." The comptroller took the view that he had no took the view that he had no power to prevent importation from a non-EEC country in the from a non-EEC country in the absence of exceptional circumstances. Mr Justice Whitford said that it was within the comptroller's discretion to ban importation from outside the SEEC though there were no exceptional circumstances if the public interest so required. Importation from within the EEC must awalt a ruling from the European Court.

By Aviva Golden

**ACROSS** 1 American sent back in Jack's

American sent total and Paul's place (6)

4 Always increasing? (8)

18 Submit to pressure and return to the base camp? (5, 4)

15 Company

money about is not exercising it (7)
To some extent more willingly (6)

19 Revised point I'd put to
Edward (6)

21 Given marks for having been observant (7) 23 Outstanding figure in the finance world (7, 3)
25 Period showing style (4) 27 An out-of-place plea for

innocence (5) 28 Litter that may be picked up (9)
29 Danish seaport relies on
fashion (8)
30 Worker goes in taxi from

Cambridge (6) DOWN

I Idle indication that credit has finished? (4, 4) 2 Strangely uncordial feature of wet weather (4-5)

2 Inhuman boss (4)
5 In grave trouble, certainly
in a pickle (7)

6 Compensation required for port area in ruins (10) 7 Beginning working as a film g Slips in proofs of humanity?

9 Stop a letter giving settlement (6) (5, 4)

11 Baffling question for a model (5)

12 One bundred in it is twice reduced by 50 per cent (4)

13 Strain results from his work (10)

15 Company wildly flinging

15 Company wildly flinging

his mate (5, 3)
20 One who treats wounds—in the chest? (7) 21 Even the score by bribery?

(6)
22 Shaped like an orange, but able to change (6)
24 Part of the carcase lions chewed up (5)
26 Greek character bestriding

N Italian mount (4)



&. **GALLERIES** 

FIANCIAL TIMES

REPORT

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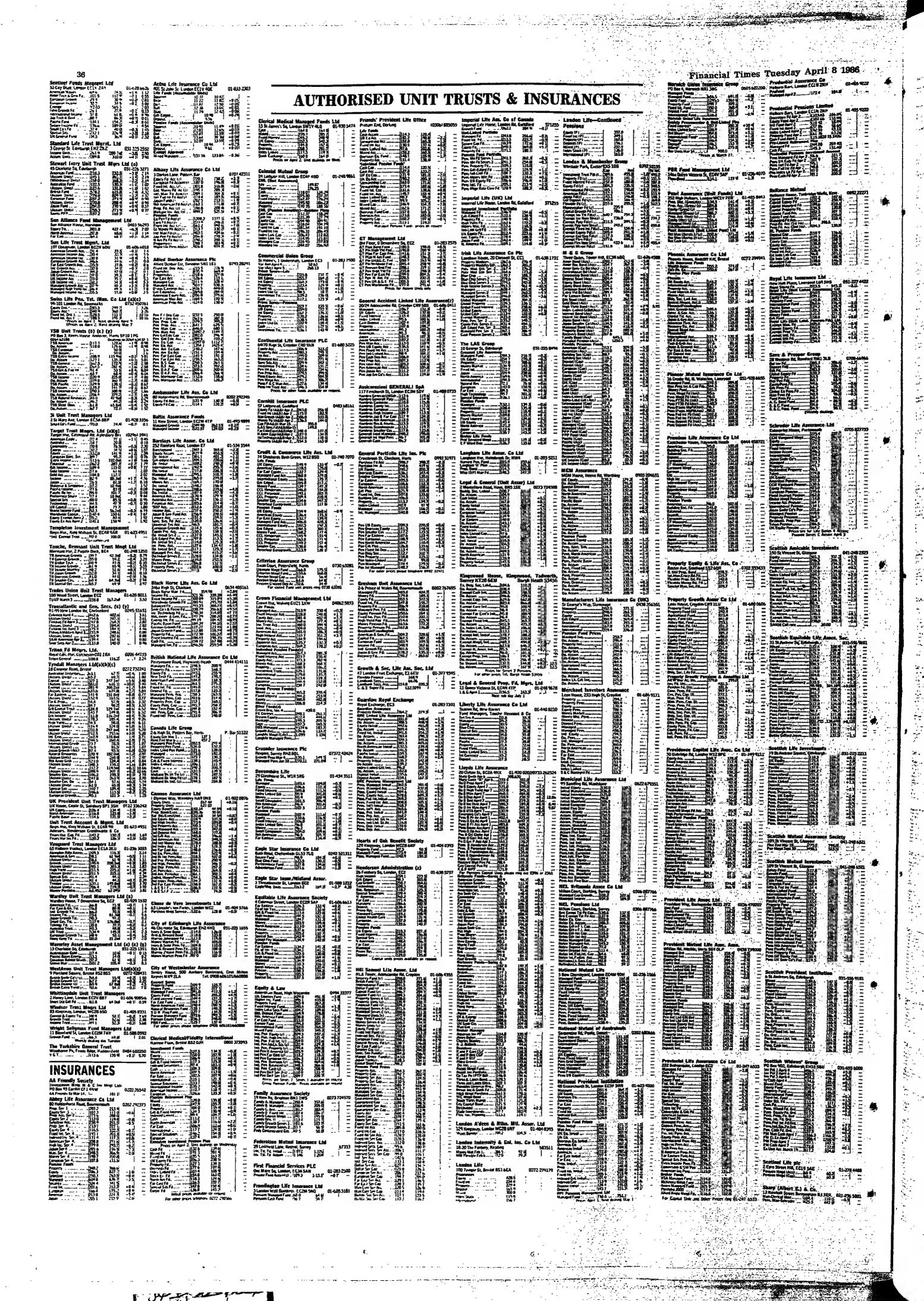
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#### Indonesia plans to boost tin output

INDONESIA will boost its tin output to 27,000 tonnes this year, from the 22,000 tonnes a year it was restricted to under the now-defunct International
Tin Agreement quota system,
according to the state tin company. Tambang Timah, reports
Reuter from Jakarta.

Mr Sujatmiko, the company'a chief executive, said Tambang Timah aimed to contribute 80 per cent of the increase.
"With the quota system ebolished we will now be able

to have fair competition against non-ITC members who so far have enjoyed smooth trading as

LONDON METAL EXCHANGE (Changes during week ending last Friday) (tonnes)

Alumi		
Coppe	r — 9,825 to 14	3.5
Lead	-700 to 6	4.8
Nicke		
Tin	-2,630 to 6	4.8
Zinc	+1,175 to 4	
	(oue ces)	-,-
Silver	-1,040,000 to 40,23	2,0

a result of the ITC membera struggle," he declared. Indonesia the second largest beloed to scupper a rescue pack-

age for the tin egreement last month when it refused to co-operate unless non-members like Brazil and Chine were also Soviet officials said 1.3bn

roubles (£1.25bn) had been allocated for bonuses to be paid to state farms which meet their grain production targets, as part of the plan to rejuvenate Soviet agriculture through increased incentives and decentralisation.

• THE AUSTRALIAN Wheet Board said it had firm commitments for export sales totalling more then 14m tonnes in its 1965-86 selling season and ex-pects to reach its sales target

 PAKISTAN bas lifted import and price controls on current cur be reviewed in three

INSPIRATION Consolidated copper Company, bas proposed e 27 per cent cut in wages and benefits for union-ised workers at its Arizona

unlons representing 630 bourly employees whose contracts expire on June 30.

usually low and could fall sbort unity to take edvantage of the of requirements, according to weakness of the LME which is of requirements, according to tes broker Combrok in Mom-

Despite last year's record market shore there was no room for complacency, the firm

DEMAND at yesterday's weekly London tee euction was "fairly good," according to the Toa Brokers' Associetion'a official

everage prices for quality and medium grade teas were unchanged et 194p and 154p a kilo respectively while low medium grade was down 2p from last week's sale at :156p a kilo. But selected Assams

THE GOVERNMENT'S decision to sell the Cambridge-based Plant Breeding Institute and its marketing arm, the National Seed Development Organisation, has been greeted with considerable along the manner.

tion, bas been growing many considerable alarm by many many farmers. They

British cereals farmers. They fear thet one of the big oil or

chemical companies might take over the institute and force

them to pay through the nose

for their seed supplies. For

that resson a section of the National Farmers' Union is looking into the possibility of a consortium of farmers buying

the business, or perhaps join-ing the present PBI staff in a

aituation developing. There are several competing seed pro-

ducers in Britain and on the Continent and there is nothing

to prevent a farmer saving his

own seed. Many have some

quite sophisticated facilities for

cleaning and preparing seeds and if they have not there are

contractors around who will do

the job at a reasonable price.

no mora than an instinctiva

government reection to a sector which is causing it a great deal

of expense through

management buy out.

# Comex bids to revive its flagging fortunes

COMMODITY EXCHANGE INC (Comex), New York's rival to the London Metal Exchange, yesterday launched a new con-tract — the world's first traded option in copper.

Traders bope that it will belp restore the exchange's fortunes after the buffeting it has received in the past year. For while Comex has escaped the direct impact of the tin crisis which bit the LME, it has been beset with difficulties of its own. the affair of Volume Investors a trading company which col lapsed last Merch setting off e spate of law suits and prompt ing an investigation by the Commodity Futures Trading Commission, the official US market watchdog.

The exchange's argument with the CFTC has come at an ioconvenient moment since 1986 is the year that the US Congress carries out a four-yearly review of the CFTC's performance. CFTC has been particularly ective of late in ite scrutioy of the rulea and regulations of US exchanges.

At the seme time. Comex lke the LME, is suffering from e severe decline in business Many investors heve deserted metals for the more lively markets in financial futures — a shift which has hit Comex's two biggest contracts, gold and silver, particularly badly. In 1985, turnover on the exchange was 14 per cent down on 1984. In the first quarter of 1986, the decline has continued with business down 8.5 per cent on the first three months of last year.

Comex bas lost some of its pre-eminence among the four New York commodity exchanges, which share a trading floor in the World Trade Centre. The New York exchanges bave collectively been left behind by their rivals in Chicago which have recoded in Chicago which have raced abead in the development of financial futures, trading bond. currency and stock index con-

The traders are worried. The price of a Comex seat is now \$70,000, against \$100,000 in January 1985 and an all-time high of over \$250,000 at the height of the precious metals boom in 1980. Across the floor st the New York Mercantile Exchange, which does a roaring the start of bargaining at the weekend with leaders of nine unions representation. trade in energy and platinum.

But despite its difficulties. Comex does have some considerable strengths. It is the biggest KENYAN tea supplies metal futures market in the US. evailable in Britein, which last lit does bave 778 full members year imported 34 per cent of trading futures and options. struggling to get over the inter-

The leunch of the copper option is Comex's letest attempt to broaden the base of its business. The exchange started the 1980s trading gold, silver and copper contracts. In the last added gold and silver options futures contract has suffored heavily fi from competition from

Comex is now planning to raise the premium for metal quality on its copper contract to make it more attractive to a Kuo. But selected Assams copper producers—and leter to launched in Chicago last year. president in charge of marketwere strong with gains of 10p launch a new high grade copper Mr Alan Brodie, Comex president in charge of marketing. says: "It's cash not capital
that matters."



a move by the LME to raise tho quality of its own high grade

copper contract.

More importantly, Comex is proposing its first financial futures instrument—a contract in second-tier Wall Street equities. Comex officials are

The Commodity Futures Trading Commission yesterday high marks to Comex's endit and financial surveillprogramme, instituted after the default of Volume Investors Corporation in March 1985. Last year in e nine-count administration complaint, the CFTC name the exchange along with gold options traders and said Comex had failed to enforce its rules regarding specula-tive positian limits. Yester-day, bowever, the CFTC'a division of trading and markets praised Comex and the Comex Clearing Association for strengthening "their audit and financial surveillance systems and procedures." Particularly, the Commission liked

tho exchange's new " surveillance report," and the "more formalised co-operation" which it said had enhanced Comex's abilities to conduct financial surveillance. The clearing association has adopted minimum margins for out-of-the-money options for all trades and expanded capital based position limits to options, the CFTC said. The investigators cautioned that since the Comex improvement is recent, an ovaluation of bow tho scheme is executed must be dolayed for a time "to permit the division to observe bow the enhanced programme elements operato." An endit and financial surveillance pro-grammo must change as domands upon the programme change, they said.

preparing the ground for it very cantile Exchange's Standard & Poor's 500 contract and bearing in mind the very slow start to the two futures contracts in over-the-counter stock indices

take liquidity from a market that's already there." Unfortunately, Comex officials

are still embroiled in the after-math of the Volume Investors affair. This occurred last March when three gold options tradors failed to meet a \$26m marry call precipitating the collapse of their Comex broker, Volume

Other Volume Investors customers — mostly professional Com/x treders—were furious when the exchange liquidated their accounts, including those which were firmly in the black. These clients bave since been repaid in full to the tune of \$13.7m but are still angry at the way they were treated. Mr Charles Federbush, co-ownor of Volume Investors, has settled with the exchange by paying a abare of the debts—but his part-ner Mr Owen Morrissey is suing Comex for suspending him from membership.

The CFTC has accused Comex suthorities of mishandling the affair first by not aggregating the positions of the three options traders and secondly by not acting quickly enough to limit the demage done. Comex is challenging these

charges in s hearing before an administrative law jodge which is still in progress. Mr Brodie says the exchange warned the CFTC in advance of the risks the three traders were running end the exchange onforced its rules "100 per cent." It has sub-sequently tightened up its control of options trading-but so beve other US exchanges. Mr Brodie says that with hindsight the risks of options were not clearly enough understood. "I don't care what anybody

soys. These things beppen. Risk is a fact of business life." Meanwhile, the CFTC has stepped up its regulation of futures markets in various ways including new requirements for documenting trades so that a more effective audii trail is left behind to make life easler for the regulatore if they subse quently investigate the trans action. The CFTC also wants cautiously, recognising the to increase the minimum cepital dominance of the Chicago Merrequired of brokers. Comex and cantile Exchange's Standard & other exchanges argue that it Poor's 500 contract and bear would be better to concentrate on the rules governing liquidity and margining. Dr Terry Martell, Comex senior vice-

#### LONDON MARKETS

THE SLIDE in coffee values continued on the London futures market yesterday with the July position adding £57 to last week's £125 fall at £2,322 a tonne. Last Friday's lowering of Colombian export duties continued to depress prices, as did the early firm-ness of sterling. And in the afternon a sharply lower New York opening weighed the London market down further. On the sugar futures market meanwhile values pushed on to new 21-year highs as Friday's Now York gains were consolidated and further impetus was provided by reports of rain threatening to disrupt the Cuban harvest LME prices supplied by Amalgamated Metal Trading.

#### ALUMINIUM

	Unefficial + or close(p.m.) − £ per tonne	High/low
Casts 5 months	798-5   -2.5 e17-8   -1.75	795,6/794 832/815,5
(791-2), t	closing (am); Ca hree months 215- 796 (792). Final ) umover; 5,475 ton	6 (812-3). Cerb close:

COPPER	Tie cash
High/low	Wolfram 22.0b. \$48,66 Zino
Cash 980-0.6 -2.75 980.5/879 5 months". 1001,5-1 -3 1004/993.8	producem _ \$858/679 ] .
Gmde "A" Officel ciceing (sm): Cesh 979-80	Cocceut (Phili) (\$290y  - Paim Malayen   \$282.5w

(999-9.5), sattlement 980 (978), Final \$2208 Karb Close: 1,001.5-2. 278-87 -0.e

Official cicaling (am): Csah 978-80 (974-5), three roonthe 992.4 (992-4), settlament 980 (975), Turnover 29,190 tonnos. US Producar grices 68-74 centa per lb, Official cleaing (am): Cash 978-80 (974-5), three months 982-4 (992-4), settlement 980 (975). Turnovar: 29,15 tonnes. US Producer prices 68-74

Standard

#### LEAD

Official closing (cm) + Cash 255.5-6 (253.5-4), three months 251.5-2 (251.5-2), Final Karb close: 261.5-2, Tumover 7,200 tonnas. US Spot: 18.25.20 ceets per lb.

٠.	Unofficial elose(p.m £ per	· -	High/low
h onthe	856-7 262,5-3	+0.5 +0.e	256 263/262
Ecial.	cionina	(am): Cu	eh 256 S.B

Official closing (am); Cush 255.5-6 (253.5-4), three months 261,5-2 (261.5-2), settlement 256 (254). Final Kert close: 261,6-2. Turnover: 7,200 tonnes. US Spot: 18,25-20 cents per pound.

Kusis lumpur Tin Market: Close: 14.60 (--) engoit per kg.
Official closino (em): Cash 441.5-2 (485-7), three months 452.5-3 (457.5-8), settlement 442 (447). Final Karb closes 454-5. "Turnover; 4.100 ronnes, US Prims Western: 32.50-35.50 cents per noticed.

	Linofficial +er close(p.m.) - £ per month	High/ low	COCOA  After opening a little lost further ground during
withs	9784-6   +e.5 8636-40   +8	2050/2785	and roads new lite-of-con the closing call. Ne pro
			dewn consumer buying, g

1	High erade	Unofficial + or close(p.m.)	High)low
-	Cash 5 months	445-6 -1.8 456-6.0 -1.8	448 457/453
5	(2.755-70)	closing (am): Cest thies months settlement 2,750	2.796-800

#### GOLD

Gold ross \$37 to \$338 2 \$338 on the

OOLD CULLION (fine ounce)

	·			
SILVER per troy	Buillon Fixing Price	1- or	L.M.E. p.m. Unoffic'i	+ <u>o</u>
5pot 5 months 5 months 12 months	360.15g 362,70p 378.00p 366,00p	+8.65 +8,85 +8,55 +8,20	361.6p 371.75p	+9 +9.25 —
LMET	mover: 1	1 (3)	lots of 1	0.000

Three menths high 372p, low finite kerb 399.5-71.5p.

PHYSICALS — The London market opened alightly lower, met pemiatent celling throughout the day and closed on as easier note, reports Lowie and Peat. Clesiag prices (buyers): Spot 95.50p (55.50p); May 58.50p (54.25p); June 54.00p (54.75p). The Kuole Lurigur tob girice (Maiayaie/Singapore centa) per kg: OSS Ne 1 was 189.0 (191.0) and for SMR 20 178.0 (176.5).

LIVERPOOL — Spot and shipment, sales for the week commencing April 1 totalised only 85 tonnes against 635 tonnes in the previous week. Trading was slow, with interest only in Pski-

#### INDICES FINANCIAL TIMES April 4 April 6 Mith ago Year ago \_\_\_\_ 296.71 (Bass: July 1 1962=100)

REUTERS April 4 (April 5 M'th ago Year ago 1831.4 1828.7 1808.2 1942.e (Base: Sectember 16 1931-100) DOW JONES

#### MAIN PRICE CHANGES

Spot 128.89 128.70 — | Fut. 125.45 108.57 — |

	فسيروب سينيب بندرو			
	METALS	Apr. 7 1986	+ <u>o</u>	Month ago
	Aluminium Free Market	\$1265/506	+e	\$1240,280
w	Cosh h Grade	2980.26	-8.75	2882
4	3 mths	2338.75	i+3.5	2542
ī	3 mths	2262,75	+0.5	£260,25
6	Free Mkt Palladium oz Platinum oz	2106. 75	+-0.25	5105,00
	Quicksilver t Silver troy oz	ES 50,285	·	1228/235
	Tie cash	368,70r	+6,36	505.70p
	5 months	se4.98		\$62,78 \$56:63
,	Wolfram 22.0lb Zino S months	2445.e	1_1.5	£426,5
-	producem	SH58/679	1	\$850/879

Copra Phil | \$190 | \$180 Soyabean (U.S.) | \$155.5y | -1 | \$222 

‡ Unquoted. † Per 75-lb flack. c Cents a Pound, v Msy. y April-May. w June.

#### MEAT

MEAT COMMISSION—Average fat-atock grices et representative markets, GR—Cartle 98,88g per kg lw (-0.71). GB—Sheep 266.63p per kg est dew (+21.01). GB—Plas 76.43p per kg lw (+1.72). Pigmeat prices closed o little higher due to slightly steadier physicals, re-ports Eastern Capital—CCST.

Month close - close -

Pigment seles: 2 (AT) lots of 50 carcases, 3,250 kg. Beef seles: 1 (8) lots of 20 sides.

2 per tonne

Sales: 5,220 (4,557), lots of 10 tonnes, tCCO indicator prices (US cants per paund). Delly price for April 4: 88.30 (88.83); five-day average for Agril 7: 89,90 (90.68). COFFEE

London opened higher than expected on light commission house buying. A lack of follow-through and vary little physical offtake gandually around levels, separally with a weak perfermance from New York, reports Orexal Sumhem Lambert.

_	COFFEE	Close	+ or	Don
_		,		
ð	May	<b>3271-2376</b>	-80.5	2815-226
	July Sept	2572-8675	67.8   63	2428-950
•	Nov	8419-9420	-76,5 ;	2479-242
	Mar	2450-2460	-64.5.	2500-246
	May	2460-2500	-77,0	
IJ		74 (3,434)	-	
	ICO India	cator prices	* (US	Cents
	paund) for 188.93 (190	April 4: C	omp.	daily 19
	(200.42).	.32); 10-04	A BAST	. ISG
	SOYA	BEAN.	ME	ΔL

	·	olose	+ 61	Don
1	August October	£ per tonne 185.5-184.8 123.8-129.7 125.8-126.8 128.0-126.4 128.0-126.4 128.5-180.0 138.5-181.5	+0.15 +0.05 -1.20 +0.15	_
	Sales: 22	4 (218) lot	of 20	tonna

Business dore Whest: May 118.15-7.80 July 118.75-9.50; Sept untraded. Nov 103.10-3.06, Jee 108.30 only. Mar 108.35-9.30, Sales; 48 lots of 100 toseses, Barley; May 115.00-4.85, Sept 98.30-8.20, Nov 101.70-1.55, Jee 104.95-4.70, May 107.80-7.70, Sales: 62 lots of 100 toses.

Mer 107.80-7.70. Selest 62 lots of 100 tonnes.
LONDON GRAINS—Wheat: US Oork Northern Spring No. 1. 10 per cent: May 130.25, June 125.50 Iranahlpman Eest Coest. US No. 2 Soft Rad Winter: June 98.35, July 94.00. Erigitah Feed. tob: May 121.50-121.50 buyer/seller, June 122.50 seller, Sept 101.00, Oct 104.25 buyer, Oct/Dec 100.25-107.50 buyer/seller, Jen/March 112.50 sellor. Berley: English Feed. Tob: April 117.00, May 118.00 buyers, June 10.50 seller. HGCA—Locational ex-farm apet

# prices: Feed buriey: Eastern 112.90, E. Midlands 113.60, Scotland 110.70, The UK monetary coefficient for the week beginning Monday April 14 will depend on the outcome of Tuesday's agrimonetary meeting in Brussals. Month Ciose — Do

SUGAR 1.0HDOM DAILY FRICE—Raw sugar \$213.00 (£146.00), op \$8.00 (up £3.00) a tonne for April/May delivery. White sugar \$228.00, op \$6.00. Reports that are all was seeking to cancel estes drove both Londos and Rew York markets to new highs for the move, mports C. Czarnikow.

Sales: 6,097 (3,824) lots of 50 tonness.

Nerth Sea crude prices rose sharply in response to the strike in Norway hich will reduce svellebility by around m bernels per day or two dargoes per ay. Inquiry for replacement deted pril cargoes has so far been limited. Say WT3 opened 70c up on Nymax and gained a turther 11c by 12.30 EST, nectroleum groducts market oes oil med in active trade with prices rescring higher levels on the Rottsridam args market. Maghtha size atrangment or the back of gas oil but soolins rottelled stable to wask. Fuel il was also stable in North West urope—Petroleum Argun, London.

CRUDE OIL-FOB (\$ per barrel)-April

+13

Turnovar: 5,263 (4,958) lots of 100

#### FREIGHT FUTURES

The dry cargo markst isli sharply on the opening. against weaker physical advices. Short-covering on the class recouped half the day's losses. Tanker values makined suchanged to alightly lower to quiet conditions, reports Clarkson Wolf.

DIY CAISO

Turnover: 307 (153). 770/815 792,8/780 810/785 740/780 790/780 790/780 790/780 930/785 930/

#### POTATOES

The marker was very fively on the opening, reaching a high of 2154.00 co May, A wide trading mage reflected the underpinty over current levels.

Seles: 2.171 (2.324) lots of 40 connets.
Earlies—July 101.00; +1.60; 104.00-100.00; Aug 80.00; uschanged; Sept 70.00; unchanged; Seles: 44 lots of 10 connets

The "Heseltine initiative"

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A FINANCIAL TIMES SURVEY

FRIDAY, MAY 23 1986

Introduction The Politics of

Merseyside . Merseyside's Successes

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Merseyside's Big Employers Inter-City Policies

The Port, The Freeport and their Prospects The Bishop and the

Archbishop

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> **FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER

The Financial Times proposes to publish a Survey on the above. The provisional date and editorial synopsis are set out below.

**PUBLICATION: MAY 30 1986** COPY DATE: MAY 15 1986

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Low Countries Switzerland

10. Italy. Advertising Information Information on advertising can be obtained from WILLIAM CLUTTERBUCK

Details of Financial Times Surveys are subject to change at the discretion of the Editor

**FINANCIAL TIMES** 

FARMER'S VIEWPOINT By John Cherrington Foundation had been charged with the production of wheats which would stand beevy doses

Privatising the plant breeders

I doubt, however, that there is much danger of e monopoly term, bighly speculetive enter-prise which, until the introduction of plant breeders' rights in the early 1970s was very poorly rewarded in Britain. Before the legislation there was no copyright oo seeds. A farmer or seedsman could buy some basic seed and multiply it et bome for use on his farm or for selling to other fermers, without

A cynic might say that the decision to privatise the PBI is Under the plant breeders' terises the British eced-growing rights legislation the multiplying and distribution of basic seed in the UK is controlled by the seed-breeders' need to keep over-production. But the causea of the surge in output are more complex. The main stimulus uncertified seed and for e to save their own seed — e tenbes been the high level of farmer to sell grain to neigh dency which is almost certain prices. which has encouraged bours as sead. Certification does to intensify following any ensure that the farmer is tightening of margins for cereal bigher spending by growers and ensure that the farmer is the development of weedkillers, getting the variety he has farmers. After all there is a They feel this independence fungicides and nitrogen ordered and that some benefits certain £5 or so an acre to be could be lost if it was comfertiliser.

They feel this independence ordered and that some benefits certain £5 or so an acre to be could be lost if it was comfertiliser.

The best example of what I breeder. No longer will the without any certain loss in of profit became the main mean was the development of plant breeder labour aimply for yield. In any case, I believe criterion. But until the breeders the dwarf wheats which became love of the task, as many used the success of the crop is even succeed in hybridising wheet I nne of the prime auccessea of to the in the past.



which would stand heavy doses of nitrogen without toppling over, as did many of the existing strains. The Green Revolution has been one of the great practical successes of our times, and it definitely contributed to the present crisis of overmoduction.

Seed procurement

French seed bousea are generally small family concerns whose sales are miniscule by some British standards. One well-known French plant breeder told me that his publicity budget for a year was what one well-known British seed house would spend in a

giving the breeder any further

a certification system. It is illegal for a seedsman to aell

time and this is reflected in

seed house would spend in a week. The French farmers' practice is to buy a small it on for his own use. The breeder gets bis reward from the sale of the basic eeed but there is very little scope for further royalty payments such as have been eccruing in Britain

up to now.
Nor does there seem to be in France the frenetic chase for new varieties which characon puting out fresh strains to counter the tendency of farmers

seed variety, or even its purity.

Prospective buyers of the
PBI probably heve this point
well in mind. But there is ona aspect of plant breeding which could put power back into the hands of the breeder — bybridisation; the exploitation of hybrid vigour by crossbreeding, already well known in animals

So far the major auccess of the technique has been with maize, where hybridising has scored spectacularly. The process, best described as con-trolled pollination on a field scale, is not yet possible with wheat and berley—nor is it likely to develop into an on-farm practice. Hybrid maize seed has to be repurchased from source every year, as using second-year seed from bybrid maize is not a practical proposi-

This means that maize-breeding companies are in a strong posi-tion end many would like the same situation to arise in wheat.
But so fsr, in apite of great
expenditure on research, the
development of hybrid wheat is still not established as com-mercially feasible. There have, bowever, been some promising results both in Europe and in

There is one further consideration. Many farmers respect the independence of the PBI which, since its establishment in 1912, bas developed a number of cereals and other crop varieties which become bousehold names among farmers. to the in the past.

more dependent on the applicadount if this danger is very in France plant breeders' tion of inputs of fertiliser, fun-real. There is plenty of scope is very scientists of the Rockefeller rights have existed for a long gicides and cultivations than on for competition at present.

alliver was fixed 0.85p an ounce higher for apot delivery on the London bullion market yestarday at 360.16g US com aquivalents of the fixing level warm: apot 524.4c, up 18.65c; three-month 533.5c. up 18.95c; six-month 542.25c, up 18.45c; and 12-month 560.95c, up 13.15c. The materi epenad at 369-369-4g (521-523c) and closed at 369-369-4g (521-523c).

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EUROPE'S BUSINESS NEWSPAPER

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40M

## CURRENCIES MONEY and CAPITAL MARKETS

#### FOREIGN EXCHANGES

1925

## Dollar and pound strong

The dollar was stronger on the foreign exchanges yesterday, as oil prices rose; positions taken out ahead of the European Moneout ahead of the European Monetary System realignment were unwound: and the market awaited a reflationary pay age of measures from Japan. There was also some doubt about German export performance after the revaluation of the D-mark in the EMS, but personsness ahead of an informal meeting of Group of Five ministers, scheduled for today, limited the dollar's rise. The US currency sevenced to DM 23995 from DM 23890; FFr 7.6175 from FFr 7.5725, SFr 2.0120 from SFr 1.9940; and Y182.70 from Y180.15. On Bank of England figures the dollar's index rose to 121.8 from 121.5.

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR:

One month

Closs.

EXCHANGE CROSS RATES

You per 1,000: French fir per 30: Line per 1,000: Beig Fr per 100. **EURO-CURRENCY INTEREST RATES** 

| 1.4570-1.4580 | 0.56-0.47c pm | 0.589. 1.55-1.20pm | 0.74 0.57-0.359n | 0.75-0.07c pm | 0.74 0.57-0.359n | 0.75-0.359n | 0.75-

Trey, close \$ Spot 21.4505-1.456-1 4550-4556 \$1 month 6.50-6.47pm D.50-0.49pm 15 months 1.55-1.50pm 1.58-1.56pm 2 months 15.70-3.50pm 2,72-3.54pm

FFr 10.9650; SFr 2.9325 from SFr 2.8675; and Y266.25 from Y260.75. D-MARK — Trading range against the deliar in 1988 is 2.4710 to 2.1990, March average 2.2577. Exchange rate index 182.0 against 127.9 six months FFT 7.5725. SFT 2.0120 from SFr 1.5725. On Bank of England figures the dollar's index rose to 121.8 from 121.5.

STERLING — Trading range against the dollar in 1986 is 1.5115 to 1.3770. March average 1.4681. Exchange rata index rose 0.3 to 76.7, compared with 80.2 six months ago.

A sharp rise in North Sea oil prices, resulting from the shut down of Norwegian production, because of a strike by catering staff, supplying food 10 oil platform workers, supported sterling. The pound gained 95 points to \$1.4570-1.4580, and also gained currencies, partly as a couse-quence of Sunday's realignment of the EMS. It rose to DM 3.46; FFr 11.1025 from 100 francs, slightly below its

ceiling of DM 5.0070. Other cur-roocies effectively devalued again reocies effectively devalued against the D-mark, by the weekend EMS realingnment, hovered near their reilings.

floor within the European Mone-tary System of FFr 3.1887. The floor within the Entropean monttary System of FFr 3.1887. The
D-mark was fixed in Paris at this
level, and dealers reported the
French central bank was active
for most of the day buying
D-marks against the franc. This
was a reflection of speculation
against the franc, before the
weekend devaluation of 5.8 per
cent against the D-mork. Dealers
look profits yesterday, buying
back francs at the new lower
rate. In early Paris trading
sterling was up nearly 5 per cent
against the franc at FFr 11.1260,
compared with FFr 10.73 on
Thursday, the last fixing hefore
the EMS realignment. The dollar
was fixed nearly 5 per cent
higher against the frenc in Paris,
at FFr 7.6545, commared with
FFr 7.3240 on Thursday. It was
the highest fixing for the dollar
wince late December last year.
In early trading the US currency
louched FFr 7.559. 

Estimated volume total, Calle 50, Puts 11
Previous day's open int, Calle 5,335, Puts 6,872 PHILADELPHIA SE E/S OFTIONS E12.600 (casts per C1) louched FFr 7.59. **CURRENCY MOVEMENTS** CHICAGO

**CURRENCY RATES** 

Sank Special European rate Orannes Gurrence 2 Rights Unit Sterling 7 0,796612
UIS 5 7 1,13063
Canaction 5, 10,14 1,67413
Austria Sch 4 18,9093
Selgian Fr. 04 N.A
Dansan Kr. 7 N.A
Dansan Kr. 7 N.A
Dansan Kr. 14 N.A
Prasch Fr. 01 N.A
Norway Kr. 8 8,24743
Swedish Kr. 84 8,47774
Greek Drich 2012 N.A
Irish Punt. N.A
STOR rates are for Ap 0.619077 0.900130 1.24867 15,1853 44,1180 7.06398 2,10215 2,43479 0.83881 1,480,28 163,230 0.07678 1,56,659 0.76589 1,50,659 1,50,659

- Marting and a property of the contract S . DM TEN FFR SFR HFL LIM CS BFR OTHER CURRENCIES £ 1. 1,466 5,488 256,5 11,10 2,933 2,938 2384, 2,014 71,10 0,686 1. 2,593 182,7, 7,018 2,018 2,594 1,056, 1,381, 46,60 0.418 1 76.34 3.184 0.841 1.126 683.0 0.577 20.39 5.474 :13.30 1000 41.70 11.01 14.75 8953 7.562 267.0 FFr. 0.901 1.810; 5.141 239.8; 10, 8.641 3.557 2147; 1.814 64.04 SFr. 0.541 0.487 1.189; 90,79; 3.788; 1. 1.830; 818.9 0.687; 24.26 0.256 6.371 0.888 67.79 2.827 6.747 ...1. 606.9 0.513 16.10 0.420, 0.611: 1.463 111.7 4.658 1.230, 1.648 1000: 0.848 29.83 C 8 | 0.497 | 0.704 | 1.732 | 134.2 | 6.514 | 1.456 | 1.951 | 1184 | 1. 36.31 | 8 Fr. | 1.406 | 2.050 | 4.905 | 374.5 | 15.62 | 4.124 | 6.624 | 8353 | 2.632 | 100.

EMS EUROPEAN CURRENCY UNIT RATES Divergence +1.01 +D.67 +1.11 44.1180 7.96398 2.16213 6.88381 2.4347 7.91895 2.13834 6.95290 2.40835 0.712968 7486.21 Changes are for Ecu, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

#### MONEY MARKETS

H FL.

## Firm pound boosts base rate hopes

107e-11 103-107e
77a-7 4 7-71a
96e 07g 14-82e
5-5-6-5 5-72-5
5-14-44 57a-4
426-44 46-41a
75e-77a 75e-77a

Bills maturing in official rates on one, two and three and a take-up of Treasury bills drained £1,210m. This outweighed Exchequer transactions adding £75m to liquidity, 9 fall in the oose circulation of £305m, and bank bills in band 2 at 11% per cent. Bills maturing in official rates on one, two and three month Treasury bills were reduced by 1 per cent to 9 per cent. Interest rates on one, two and three month Treasury bills were reduced by 1 per cent to 9 per cent. Interest rates on one, two and three month Treasury bills were reduced by 1 per cent to 9 per cent. Interest rates on one, two and three month Treasury bills were reduced by 1 per cent to 9 per cent. Interest rates on one, two and three month Treasury bills were reduced by 1 per cent to 9 per cent. Interest rates fell on the London money market yesterday, as sterling gained ground on the foreign exchanges, and speculation increased about possible British membership of the European Monetary System. Hopeo of lower bank hase rates made discount housez reinctant to sell longer dated paper at present official intervention rates, and most of the Bank of England's help to the money market was cent.

In the afternoon another £380m bills were purchased outright, through £7m local authority bills in band 1 at 11½ per cent; £300m bank bills in band 1 at 11½ per cent; £70m bank hills in band 2 at 11½ per cent; £70m bank hills in band 2 at 11½ per cent; and £8m bank bills in band 3 at 11½ per cent.

Lale assistance of around £60m help to the money market was through outright purchases of very short dated hand 1 hills. Three-month interhank fell to 107-11 per ceot from 113-111 per The Bank of England forecast a money market shortage of £800m initially, but shanged this was also provided. NEW YORK RATES

(Lunchtime)

Brokor loan rate .......

Long-term Eurodollars: two years 74-75 per cent: three years 74-75 per cent low years 74-76 per cent; five years 6-75 per cent neminal. Short-term rates are call for US cellers and Japanese yen: others two days' notice.

to £750m at open, and to £700m in the afternoon. Total assistance of £732m was provided.

Bofore luoch tha authorities bought £292m bills outright, by

STERLING INDEX

April 7 Previous 76.8 76.8 76.8 76.9 76.3 76.3 9.00 am ..... 10.00 am ..... 11.00 am ..... 76.3 76.2 16.7 Noon ..... 76.4 76.4 76.6 1.00 pm ..... 2.00 pm ..... 3.00 pm ..... 76.8 76.7 MONEY RATES Ov'r nig's, Month Minths Months Months Invite | Overings | Months |

In Frankfurt call money was steady at 4.45 per ceot. A tender for a new 35-day securities repurchase agreement with the Bundesbank takes place today, at a minimum rate of 4.30 per cent. In Brussels the Belgian National Bank cut its bank rate by 4 per cent to 94 per cent, and its Lombard rate by 4 per FT LONDON INTERBANK FIXING Six months US dallars (11,00 a.m. April 7 Three trouths US delian tive reference benks et 11 am each working day. The banks ere histonel Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Mationale de Paris and Morgan Gueranty Trust. The fixing reton at the urithmetic means, councid to the meanst one-sixteenth, of the bid end offered fatte for 510m quoted by the market to LONDON MONEY RATES 7-13 112-1176 1146-1175 1016-1115 1016-1014 10-1017 — 1156-1112 1634-1675 1016-1614 976-812 106-1150 1116 1116 102 102 102 102 Discount Mkt Depos.
Gompany Depos.
Finance House Depos
Troasury Bills (Buy....
Bank Bills (Buy....
Fine Trade Bills (Buy.

Treasury Bills (aell): one-month 11% per cent; three-months 10% per cent. dank Bills (aell): one-reonth 11% per cent; three-months 10% per cent. Treasury Bills: Average tender rate at discount 10,000 per cent ECGD fixed Finance Schemo IV reference date March to April 1 (inclusive) 11677 per cent total outshetity and Finance Houses oeven days' notice, ethora seven days' fixed finance flowes 83se Rate 12% per cent from April 1786, Bank Deposit Rate for sums at each days' notice 97-6 per cent, Cert-facter of the Deposits (Serial 6): Deposits £100,000 and ever held under one month 11% per cent; eno-three months 11% per cent; three-six months 10% per cent; three-six months 10% per cent; one-three months 11% per cent; three-six months 100,000 10 per cent from April 8. Deposits Reid under Seriag 5 10 per cent. Deposits withorswin for cash 6% per cent.

#### FINANCIAL FUTURES

## Sterling prices up

near their reilings.

FRENCE FRANC—Trading delivery opened higher at 125-02, range against the dollar in 1986 reflecting speculation about 17.1157. Exchange rate index 17.1157. Exchange rate index 17.1157. Exchange rate index 17.1157. Exchange rate index 17.1157. The Bank of France intervened followed Sunday's realignment 10 support the D-mark at its new 17.1157. The Bank of France intervened followed Sunday's realignment of the system, and hopes of a period of relative currency Long term git fatures for June sharp rise in gilt prices. delivery opened higher at 128-02. The strength of the pound on redecting speculation about the foreign exchanges also possible sterling membership of boosted sterling interest rate.

LIFFE LONG CILT FUTURES OFTIONS

April Stay June Sept April May Sept May

1.0w Prev 99-04 100-11 96-14 99-21 97-25 96.13 97-03 96.19 96-19 97-22

5 35-14 94-18 - 36.02 - 35.19 50-24 94-24

53.73

53.172 35,13 55.10 45.15 93.03 53.03 92.85 82.85 92.59 32.89 92.53 22.89 92.36 92.36 92.36 92.36

93-24 \$4-00

CERT, DEPOSIT (SAMA) SIM points of 100%

LONDON

THREE MONTH EURODOLLAR

High 93.15 93.15 93.98 92.89

US TREASRY BILLS (HAM) 17m points of 100%

Sterling denominated interest stability. Sterling's membership rate contracts were firm on the was expected to allow a significant international Financial cant cut in British interest rates, Futures Exchange sesterds, if it happened, and a probable contracts, as oil prices rose by up to \$2 a herrel for early delivery North Sea crude on the European spot market. June long gilt futures roughed

a peak of 126-18 and closed at 126-16, compared with 125-24

Three-month sterling deposits for June delivery opened at 90.35 and finished just below the day's high at 90.44, compared with 90.22 on Friday.

Doilar denominated contracts showed mixed changes. June Treasury bonds fell through 100-00, and broke technical resistance levels. Rising oil prices pushed June bonds down in a low of 99-05, before a partial recovery to close at 99-24, compared with 101-05. On the other hand a low Federal funds rate hand a low Federal funds rate boosted June Eurodollars to finish at the day's peak of 93.15, compared with 93.03.

LIFFE US TREASURY BOND FUTURES OPTIONS

Dec 98-15 — 99-2 Estretated volume 7.438 (6.757) Pravious day's open int 5.908 (6.049)

**CURRENCY FUTURES** 

POUND - S IFEREIGN EXCHANGE

Spot 1-mth, 2-mth, 6-mth, 12-mth, 14575 1.6527 1.4443 1.4356 1.4208

LIFTE-STERLIND #25,000 5 per E

Close High Low Prev 101-20 101-31 101-20 101-12 101-25 — 101-34 okume 261 (2561

Latext High Low Prov 1.4420 1.4430 1.4390 1.4390 1.4325 1.4336 1.4390 1.4300 1.4240 1.4240 1.4220 1.4200

LONDON SE C/S OFTIONS E12,500 (cents per C1)

Sim paints of 100"

Close 125-16 126-25 126-23 126-16

Close High Lew 90.44 90.45 90.31 81.04 61.05 90.82 81.28 91.33 91.13 91.33 91.17 61.03 81.20 91.12 61.00 stume 3,534 (2,077) a day's open int.

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To the July Sign Star Services topic Boundary (2-1) Neet (Stangastin Trist Sing Minatoring Trings (10) depart of Tribus 433111

INCREASE OF CAPITAL view of the successful netuing operation, the underwitter closed in educate on 24 Mars who closed in advence on 24 March 1986

The lead-manager of the operation was BARCLAYS BANK S A with the portiopelion of the CREDIT INDUSTRIEL ET COMMERCIAL de Faire. The CREDIT LYONNAIS, the BANGUE GENERALE OU PHENIX and EUROPEAN INTERNATIONAL SECURITIES

The increase, of capetal, totaling 755, 122,890, was certified by the COB with 1986, Nordicction was published in the BALO of 17 March 1980.

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Clubs

EVE has outlined the others because of going of fair play and value for morey support fort 10-7 30 att. Outco and the musicans, glamolous hossesses, switched CEST, USA Regent SL, W1, 01-734 CEST,

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# E WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 7, 1986. In some cases rate is nominal. Market rates are the average of buying and salling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are ned.

Prev 172,90 175,05 177,55

Juna Sopt Dec Est. Valt Previous

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on US dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate (exC) exchange certificate rate; (nc) non commercial rate; (nom) (a) official rate: (sg) selling rate<sup>®</sup> (c) controlled rate; (u) unified rate.

COUNTRY	GURRENCY	E STERLIND	COUNTRY	CURRENCY	VALUE DF £ STERLING	CDUNTRY	CURRENCY	VALUE DF
Alphanistae	Alphani	00.00			12.8656	D	1-41	exe/A120,55/16;
Albania	Dinar	9.98 6.98	Creenieno	Denish Kroner	2 02	Philippines	Philippine Paso	28,90
Algeria	French French	11.1025	Guam	Local France	11,1026 · 1,4575	Pitcairn Islanos	ı£ Starling	_
Andorra	French Franc	220.20	GUAM	U,S, 6	1.4575	PATCHICAL INTELLIBRATION	New Zealand &	2.6355
Angola	KWANZE.	45,0705	Custemals	Custral	1.4675	Datamet	71-4	246.02
Angola	E. Cariobean	8,50	Guinea-Biesau Guyana	France	494,56 (19) 247,88	Poland	LIOLY	AU.0F4
Argentina	Austral	1.1617	Guyana Diesau	Grubness S	6.7687	Portugal.	PortuguesoEscudo	224,50
Arubs	Florin	2.62 - 18	di bi	Country	7.27	Portugal	U.S. 5	1.4575
Australia	Australian S	2.0320	Halti Nonduras Hong Kong	GOUFOR	2.9165			
Austria	Schining Particle	24,45 224,50	Hone Kone	HLK. 6	11.3520	Qatar	Catari Ryal	5.2040
Rahamas	Portuga'se Escudo Sa. Dollar Binar Spa Peseta	1.4675				Reunian Island	French Frenc	11,1025
Bahrein	Dinat	0.5485	Hungary	Forint	88,5787			Cm. 0.76
Bajearic Isles	Spe Peseta	220.20 45.30			01,6130	Romania	Leu	IN C. 18.01
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1 Rate is the transfer market (controlled). ‡‡ New one official rate. (1) Essentiel goods. (2) Preferential rate for priority iraports such as foodstuffs.
(4) Preferential rate for public actor debt and essential imports. (5) Preferential rate. (6) Free rate for kursary imports, remittances of money abroad and foreign travel. (7) Parallel rate. (9) Backnets rates. (10) Rate for exports. (14) Nearly all business transactions. (13) Verticam:—1 new dong equals 10 old dongs. (15) Parallel—1 new abekis equals 1,000 old ehetals. (18) Aruba Borin:—new currency introduced Jonuary 1, 1986. (19) Guines Republic:—france, new exchange rate announced. (20) Brazil:—1 cruzado equals 1,000 cruzeiros.

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The first trading session of the new mancial year oo London stock markets started with a widespread setback in counties as many small investors decided tn take advantage of the all-time peaks established in share

Sentiment was generally undermined by the sustained fall on Wall Street—the Dow Jones Industrial Average fell a record 27.6 last Friday and recorded a loss of around S5 points on the

There were few signs of any institutional selling and, with must of the small offerings completed during the morning emilior rally developed as a few cheap buyers appeared on the scene.

Meanwhile

scene. Meanwhile, the Finencial sector continued to claim con-siderable attention. Standard Chartered featured again with a Chartered featured again with a further rise of 73 to 75Tp, after 882p, as market speculalors pinned their hopes on a higher offer from Lloyds Bank or a possible counter hid. Midland, an old takeover chestnut, also met with speculetive demand and ended 15 to the good et 568p.

In contrast, other clearers were unsettled by the closure of the Mainlend Savings Bank of Houston which hed been hit by heavy losses on its lending to the troubled Texan reel estate industry. Barcleys and NatWest both fell around 20 to 527p and 880p respectively. Life Insur-ance shares trended easier, sentiment here being disturbed by mounting concern about the United Kingdom Provident In-

United Kingdom Provident Institution's financial position.

However, weekend Press tips met with a ready response and provided a welcome relief to the generally drab background.

The agreed EMS realizoment which is expected to pave the wey for lower European interest rates—the Eelgian Bank rate was reduced i point to 91 per cent yesterday—helped towards a revival in Government securitles. Business was relatively light, but quotations responded smartly to thio trading to close

## Equity markets fall on profit-taking Index 20 off at 1400.9

that Hambros chuld he a takeover target, particularly in the wake of the Hamoros family's recent declaration that it is pre-

recent declaration that it is pre-pared to sell its cootrolling steke, saw the shares touch a new peak of 275p before closing 30 higher on halance at 268p. United Kingdom Provident worries left Equity and Law 7 lower at 243p and Legal and General tt off at 748p. Pruden-tiel relinquished 19 at 953p.

loss of around S3 points on the week—and brokers were inundated with private client selling orders at the opening of business. This was soon reflected to the FT Ordinary share index which posted a loss of 21.9 at the which posted a loss of 21.9 at the 11.00 am calculation before recovering a little to close 20 points down on balance at 1.400.9.

The broader based FT.SE share index registered a loss of 24.7 points prior to settling a net 12.2 down at 1.638.5.

There were few signs of any title relinquished 19 at 953p.

Vaux Breweries, a strong market recently on speculation about a bid from Pleasurama, resected to 480p prior to closing a net 40 down et 495p in the absence of eny developments. Among leading Brewaries, Bass lost 17 at 183p and Allied-Lyons shed 8 to 300p. Gulaness dipped to 1.400.9.

There were few signs of any Leeding Buildings suffered a

particularly firm market receotly reflecting a pending 4 per cent cement price increese, reacted 15 to 673p. Ruzhy Portland Cement fell 8 to 179p following annual profits helow market estimates. BPB Industries lost 14 at 471p while Tarmac, 502p. and RMC, 638p, h20th shed 10. Redland came back 13 to 467n end George Wimpey fell 7 to 160p as bid hopes continued to recede. hid hopes continued to recede. Magnet and Southerns, a strong market last Friday on Wonlworth hid rumours, gave up 10 to 174p in the absence of eny develop-meots, while SGB, another teke-over fevourite, slipped 8 tn 358p. over fevourite, slipped 8 tn 358p.
Among the occasional hright
spots In the sector, Wilson
(Connolly) stood out with e gain
of 15 at 428p following the good
annual results and praposed 100
per cent scrip Issue. Federated
Housing added 3 to 100p io
response tn the chairman's confident statement at the annual
meeting, while Helical Bar continued tn attract buyers and
geined 3 afresh to 162p.
ICI dipped to 927p loitially

erned 3 aresh to 162p.
ICI dipped to 927p loitizlly
hefore closing 11 cheaper nn
halance at 929p. Laporte encountered scrappy selliog and

Woolworth edge higher Hopes of an increased bld from Dixoos or a counter affer prompted further support for Woolworths which put oo 5 more to 905p, after 910p: Dixons ran hack 10 to 398p. Other leading Surres drifted easier with Marks and Spaceer 3 cheaper at 186 was reduced 1 point to 91 per cent yesterday—helped towards a revival in Government securities. Business was relatively light, but quotaliors respooded smartly to thio trading to close with gains exteoding to 1 and occasionally more at the long end of the market.

Index-lioked Issues again moved ahead sharply as further demand found the market none too well supplied with stock.

Weekeod Press speculation from Dixoos or a counter nffer prompted further support for a counter nffer prompted further support for 21 to 291p. Adverse Press cemmeot clipped 8 from United Scientific, at 150p, while Amstrad lost 10 to 478p following profit-taking in the wake of early and Spencer 3 cheaper at 216p details of the £5m acquisition of Sir Clive Sinclair's research computer high provided to 292p plant and Spencer 3 cheaper at 216p.

Hopes with a fresh improvement of 21 to 291p. Adverse Press cemmeot clipped 8 from United Scientific, at 150p, while Amstrad lost 10 to 478p following profit-taking in the wake of early and Spencer 3 cheaper at 216p details of the £5m acquisition of Sir Clive Sinclair's research computer high provided further support for 21 to 291p. Adverse Press cemmeot clipped 8 from United Scientific, at 150p, while Amstrad lost 10 to 478p following profit-taking in the wake of early details of the £5m acquisition of Sir Clive Sinclair's research computer high provided to 292p and 144p respectively, but Next hardeoed to 293p hefore closlog only a couple of peoce off oo balance at 116p. Amount of 21 to 291p. Adverse Press cemment clipped 8 from United Scientific, at 150p, while Amstrad lost 10 to 478p following profit-taking in the wake of early details of the £5m acquisition of Sir Clive Sinclair's research computer high provided in the same provided and Spencer 2 characteristics and spencer 2 characteristics at 150p, while Amstrad lost 10 to 478p following profit-taking in the wake of early story of the provided in the same provi

FINANCIAL TIMES STOCK INDICES Government Secs. 91.75 81.47 61.66 62.34 92.55 191.87 80.76 ...... 290,0 290,2 260,5 228,9 272,6 286,6 509,5 
 Brd. Div. Yield .......
 5,25
 5,78
 5,77
 3,79
 3,87
 3,20
 4,73

 Earnings, Yid. Willish
 9,34
 9,19
 9,18
 18,26
 9,26
 9,34
 11,85

 P.E Ratio (net) (\*).....
 15,26
 15,46
 15,48
 13,43
 13,52
 13,87
 10,82
 Total bargains (Est. 42,521 41,513 35,105 37,807 40,425 40,000 25,75t Equity turnsver £m - 990,80 765,48 711,49 591,01 884,44 308,57 Equity bargains ..... - 47,421 46,500 45,003 38,112 42,981 28,657 - 574.0 310.4 309.2 984.6 376.9 165.7

9 10 am 1404.2. 11 pm 1399.0. Noon 1401.8. 1 pm 1402.4. 2 pm 1404.0. 3 pm 1404.0. 4 pm 1403.3. Ray's High 1413.0. Ray's Low 1397.5. Spais 100 Government Securities 15/10/25. Fixed interest 1929. Bidinary 1/7/36. Gold Mines 12/8;55. SE Activity 1274, Latest Index 01-246 8026. \*Nii=12.82. † Corrected.

	iighs i	S.E. ACTIVITY							
	12	86	Since Co	mpilatn	INDICES	Apr.	Apr.		
	High	Low	High	Low	Dally Cift Edged				
Govt. 2ecs	82.55 1/4:	80.39 (20/1)	197.4	46.18	Bargaine		173,6		
Fixed Int	12141	(28-1)		13/1:75/	Eargains Value 5 dayAvarags	2002 7			
Ordinary '	1463.e 1	1094 3	1485.9	28.8/40)	Gilt Edged :	173.D	183.6		
Gold Mines	357.0 (27:1)	957.3 (2/1)	784.7 15/2/65/	48.5	Bargaine Value	222.0 1368,4	279.4 547.6		

coocerning Evered's stake to the company and clused 15 tn the and at 539p. Bromsgrove Cast-lings jumped tn 89p initially nn Press comment before clusing 6

Press comment before closing 6
Others in draw strength from
better oo halance at 76p,
newspaper mentinn included
Wellman, 3½ dearer at 3½p,
Richardson Westgarth, 9 up et
55p and Blackwood Hodge, 2
harder at 60p, after 6½p, Vague
rumours of a bid from F. H.
Tomkins lifted Welr Group 5
further in 133p, while persistent
demaod left Pegfer-Hottersley 36
dearer at 438o. Chemring

FRIDAY'S

**ACTIVE STOCKS** 

demand for Peters Stores, 8
firmer at 68p while favourable
Press comment prompted good
huying of Executex, 17 up et

Thirm EMI fell 10 to 540p and
GEC lost 4 at 194p as did British
Telecum at 270p.
Secondary issues provided the GEC lost 4 at 194p as did British
Telecum at 270p.
Secondary issues provided the
mejor focal point in Engineerings, Glyawed rose 12 to 380p,
after 384p, in response to the
results and proposed 100 per
cent scrip-issue, while TI
reflected revived speculation

A midday speculetive flurry io STC on revived takeover hopes left the shares 6 higher at 142p, after 146p. Press comment high-lighting hid possibilities ettracted investors to Crystalate ettracted investors to Crystalate which eoded 13 to the good at 232p, while others to benefit from favourable weekend Press mentions included Forward Technology, 7 hetter at 52p, after 55p, and Lorlin, 15 dearer at 180p. HB Electronic reflected recovery horses with a rise of 7 180p. HB Electronic reflected recovery hopes with a rise of 7 at 50p and Audintronic added 24 to 13p following speculative support. Memory Computer firmed 2 to 16p in response to news of the interim profits recovery, while Sunleigh continued to redect asset injection hopes with a fresh improvement of 24 to 294p. Adverse Press up 7 2t 278p. Elsewhere, Cliffords Dairies A 2ttracted fresh support nn takover hnpes and gained 11 more to 240p.

Leeding Hotels were relatively unscathed 2lthough Trusthouse Forte aettled 5 cheeper at 182p. Elsewhere, Queens Most Houses closed 2 cheaper 6 78p, after 78pp, following the annual results and details of a placing of first Mortgage Debenture stock to raise £35m aimed 2t reducing borrowing and financing further expansion. Beecham good again

Beecham were again outstanding amoog otherwise quietly dull miscelleneous industrial leaders, rising 20 afresh in 406p, after 415p, amid mounting speculation about a possible hid from ICL Profit-taking, meanwhile, left Metal Box 21 down at 885p, Reckitt and Colman 25 lower at 860p and BTR, 10 down et 471p. Elsewhere, press-inspired gains Reckitt and Colman 25 lower at 860p and BTR, 10 down et 471p. Elsewhere, pressinspired gains of around 11 were seen in Gramplan, 270p, Low and Bonar, 457p, and Hestair, 152p, while Spong were a couple of pance dearer at 23p fnr e similar reason. Dwek jumped 10 tn 83p in anticipation of todey's annual figures and Burns Anderson closed 6 better at 80p, having earlier touched 83p on rumnurs of a dawn raid. Cannon Street Investments moved up tn 103p before closing nnly 2 higher at 97p, while acquisitinn details left Halma 18 higher at 258p. Dupert put on 4½ to 104½p and Standard Fireworks, awaiting further news of the hid sproach, added 5 more to 145p. Pentland, no the other hand, cheapeoed 20 to 510p, after 485p, following profit-taking io the wake of the excellent results. Parkfield came on offer at 430p, down 30.

Annog television issues, Scottish TV "A" gained 19 to 304p following the good annual results. LWT "A" rose 13 tn 340p in sympathy.

Jagnar opened lower at 425p.

in sympathy.

Jaguar opened lower at 425p.

Jaguar opened lower at 425p, but the reappearance of huyers saw the shares rally well in close only 5 cheaper no balance at 433p. Lucas Industries settled 8 nff at 620p, after 618p, Elsewhere in Motors, Jonas Woodhead gained 7 to 52p as IEP Securities dispused of its stake and Carelo Engineering sequired BRITISH FUNDS (28), COMMONMENT of the control and Carclo Engineering sequired a 18.49 per cent holding, giving rise to recewed hid hopes. Carelo shed 5 to 355p. Jessups attracted speculative huying and gained 8 to 103p.

PR company Good Relations followed Friday's 15 rise with a fresh advance of 8 to 176p before the shares were suspended ahead of oews that merger dis-

demand left Perier-Hottersley 36
dearer at 4380. Chemring
jumoed 30 th 660p in a thin
market and Ash and Lacy imoroved a few neoce to 383p; toe
latter's annual results are scheduled for today. Hawker, 16 off
at 579p. led the leaders lower.
GEN coded 7 easier of 376p.
Vickers rallied smartly towards
the close oo acquisition details
to finish only a couple of peoce
down at 538p, after 525p.
Frods met with widespread
profit-taking. Taie and Lyle, a
particularly firm market of late,
came hack 20 to 633p, while
Cadhury Schwenpes lost 6 at moved up 5 to 128p, while Aid-

came hack 20 to 633p, while Cadhury Schwenpes lost 6 at 172p. S. & W. Berisford, up 18 om Friday fullowing the share-exchange nifer from Hillsdawa Holdings, eased 5 to 243p; Hillisdawn were only 3 cheaper et 307p. Elsewhere, Associated Sorreitish Foods Inst 12 to 348p and Ranks Havis McDougall shed 8 to 236p. Rowntree Mackintosh came m offer at 498p, dawn 14 and Unigate dipped 10 to 275p. Among Food Retailers. Tesco slipped 5 to 370p and Dee gave in halance at 338p. Land Scenification of the shares moved up 5 to 128p, while Aid-com rose to 49p before 20m rose to 49p before 20m rose to 49p before 31g and 20m rose to 49p before 20m rose to 49p before 21g and 21g a good receptino and the shares
moved up 5 to 128p, while Aldcom rose to 49p befine slipping
hack to cluse a net 3 off at 45p
to the wake of the annual results.
In Newspapers, Associated
relreated 15 to 303p and United
Newspapers 7 to 335p. Intermatinual Thomson, however,
moved up 7 to 462p, helped by
the rise in all prices.
MEPC dipped to 333p before
renewed support left the close i

YESTERDAY'S

**ACTIVE STOCKS** 

ties traded quietly and settled 2 off at 311p. Outside the Property leaders. Abace, a firm merket recently on speculative buying, came back 5 to 45p, while Regalian lost 25 to 500p following profit-taking. London and Provincial Shop Centres closed 5 cheaper at 238p, after 235p, awaiting today's interim results, but Counells, preliminary figures due on Friday, firmed 5 to 215p. Edmond firmed 2 to 19p in reply to press comment, while Mountleigh rose 15 to 775p on newsithat the company had submitted outline planning permission for the development of a shupping and leisure complex oear Leeds.

Oils improve

The shutdown of Nnrwegian oilfields in the Nurth Sea-eliminating around Im barrels a day of nil production—gave a a day of nil production—gave a major boost to crude all prices and prompted good support for nil shares. The leaders made progress throughout the session, but generally closed a fraction helow the day's best levels. Be touched 570p before ending a net 5 up at 565p. Britoil and LASMO rose 6 apiece to 186p and 148p respectively, while Enterprise Oil edged up 3 to 147p.

and 148p respectively, while Enterprise Oil edged up 3 to 147p.

In Overseas Traders, Lonrho moved ahead to a 1836 high of 301p reflecting press comment and ahead of inday's annual meeting, but subsequently eased to close a nat 4 firmer at 299p.

UK mining financials, the subject of intense takeover speculation over the past few weeks, ancountered a wave of profittaking. Rie Tinto-Zine, where Australian Robert Holmes a Court is rumnnred to have built of a nr 7 per cent, dropped 23 to 757p io the absence of any hid developments or the muchrumured "dawn-raid," while Consolidated Gold Fields retreated 15 to 480p. Hampton Areas dipped 6 to a year's low of 106p despite favourable press comment.

Australians were generally marked down at the outset, reflecting the easier trend in Sydney and Melbourne markets overnight, and thereafter moved narrowly io either direction. In the leaders Western Mining dipped 8 more to 168p—a two-day fall of 12-

NEW HIGHS (173)
BRITISH FUNDS (28), COMMONWEALTH & AFRICAN LOANS (2),
LOANS (1), AMERICANS (1),
EANKS (3), BREWERS (4), BUILDINGS
(5), CHEMICALS (1), STORES (10),
ELECTRICALS (15), ENCINEERING (18),
FOODS (3), HOTELS (1), INDUSTRIALS
(42), INSURANCE (1), LESURE (2),
MOTORS (3), MEWSPAPERS (1),
PAPER (7), PROPETTY (8), TRUSTS
(9), OILS (2), OVERSEAS TRADERS
(3), PLANTATIONS (1),
NETW LOWS (41)

NEW LOWS (41)

NEW LOWS (41)

BANKS (2) Buck Levell, Good Dutrent
& Murray, Burlidings (1) Trent
- Hidgs. CHEMICALS (1) Blegden Inds,
ELECTRICALS (8) Amer. Elect., Cotapa.,
Dublier, Perkin-Elder Apc., Prico,
Oo. A, Signex Intl., Telecomputing,
Utd. Scientific. BriginerRing (1)
Hell (Metthew), FOODS (2) Assoc.
Fisheries, Bejam, HOTELS (1) Aberden
Steak Houses, INDUSTRIALS (7)
Black (P.), English Chine Clays,
Hollis, Johnsen & Jorgonson, Ronner
A, Vinten, Wills Crouo, LEISURE (1)
CRA, NEWSPAPERS (1) Metal Bulletin.
PAPER (1) Craton Lodge. TRUSTS
(4) Channel Islands Inc., Independent
Inv., Aitken Huma, Silvermines,
OILS (6) Aberdeon Amer, Petroleum,
Highlend Parts., KCA Drilling, Moonie
Oil, TR Energy, Tucker Resources.
MINES (9) Asle Oi) & Minerats, Kie
Ora Gold, Ogeon Margerar Cold, Swan
Resources, Hermone, Arres

#### RECENT ISSUES

EQUITIES	5							
feeta modut and up and up	1986	Stock	Ologing	+01	Ret. Divi.	Times	Net A	동 한 한
1150 F.P. 18/4 647 F.P. 18/4 105 F.P. 18/4 1105 F.P. 18/4 1105 F.P. 18/4 1105 F.P. 4/4 110 F.P. 4/4 110 F.P. 4/4 110 F.P. 1/8 100 F.P. 27/3 II I F.P. 1/8	76 66 195 189 140 134 177 166 900 711 96 85 934 916 102 95	Onlikington Corp.  50. Datd.  60d Greenlees T. 5p. Jarvis Porter 10p.  Menvier Swain 5p.  10p.  10p.	158 163 710 68 220	-5 -2 -10	R3.5 R3.5 R2.5 u9.5	2,9 3.2 3.6 3.5 6.0 8.5	2.1 3.0 9.5 2.2	26.7 15.3 76.6 10.7 6.4 12.4

#### FEXED INTEREST STOCKS

1	price Price	Bount du bi		. 198	· ·	Stock	Clouing	+ 01
1			:					<u>.                                      </u>
	\$99.11 94.917 74 199.623 199.623 199.480	F.P. F.P. F.P. S.P. F.P. E.S.P. F.P. E.S.P. F.P. E.S.P. F.P. E.S.P. F.P. E.S.P. F.P. E.S.P. E	25/4 25/6 27/4 6/5 10/4 8/5 25/4 4/4 25/4	10912 36 10834 1134p- 135p- 107p- 109p- 1111 13844 135p- 11114- 10014 10014 10014 11734- 2614 2615	1001 1041 1101 1251 1051 24ppn 1051 1071 1001 1001 1401 2514 1181	ABDA Prop. 16/% ist Nit. Deb. 2911 (Abordeen (Bity of) 10.8% Red. 2011 (Abordeen (Bity of) 10.8% Red. 2011 (Abordeen (Bity of) 10.8% Red. 2011 (Srit. Land 10/2% 1st. Mort. Deb. 13/25 (Chillington 0/2% Cum. Red. Prof. (Beveniah U.A.) 4,5% Cnv. St. Nit. Prof. 18/25 (Beveniah U.A.) 4,5% Cnv. St. Nit. Prof. 18/25 (Beveniah U.A.) 4,5% Cnv. St. Nit. Red. Prof. 18/25 (First 5,5% Cnv. Gum. Cnv. Red. Prof. 19/25 (Glass Glover & Cum. Cnv. Red. Prof. 19/25 (Glass Glover & Cum. Cnv. Red. Prof. 19/25 (Glass Glover & Cum. Cnv. Nep Prof. 2006) (Creemil Whitley 5,95% Cum Red Prof. 19/25 (Manyton Tat. Tig. 1st. Mort. Deb. 2015 (Moroean 8% Conv. Uns. Ln. 2006 (Nationwide Bidg. Soc. 12/2% 6/5/87) (Do. 10/2% 64/87 (Parkfield 7% Cum. Cnv. Prf. 8006 (Parkfield 7% Cum. Cnv. Prf. 8006 (Parkfield 7% Cum. Cnv. Prf. 2006 (Parkfield 7% Cu	35h; 104h; 115p 130p 105p 105p 1105p 1106p 15ep 101; 15ep 101; 169p 36; 29; 29; 20;	1-3 +1 +1 +2 +3 +3

								_
lesue. price		Latest Renunc. date	198 Nigh	6 Low	Stock		priod Cique	+0
140 9 0 140 200 207 150 1r.68 85 100 11 70 425	NU NII NII F.P. NII NII NII NII F.P.	19/6 18/4 6/6 6/6 2/5 69/4 85/4 6/6	285 pm 70 pm 35 pm 275 52 pm 68 pm 17 pm 10 pm 70 pm 2012 75 pm	53Pm 16pm 265 35pm 58pm 18pm 18pm 48pm 1612 50pm	Alkia Higs	ors.	975 42pm 64pm 42pm 14pm 10pm 70pm	-19 -6 -10 +9 -2

TRADITIONAL OPTIONS First Last Last For Deal Deal Declars Settle-ings ings tion ment Mar 17 Apr 4 June 26 July 7 Apr 18 July 10 July 21. Apr 21 May 2 July 24 Ang 4 For rate indications see end of

Unit Trust Service Stocks favoured for the call included Abaco, British Dredg-ing, Hestair, Edmand Holdings, Thomas Borthwick, Lonriso, Amstrad, Sutcliffe Speakman, United Biscuits, Chloride, Standard Chartered, George Wimpey, Sears, Hambros, C. H. Bailey, Wardle Storcys, S. and W. Beristord, Yorkshire Chemical, AB Foods, Hawley, Aithen Hume, Beecham, Well-

Exploration, STG, C. E. Heath, Wellman Engineering, Cannon Street Investments, Pleasev, Stothert and Pitt, Magnet and Southerns, Raine Industries, Carless Capel and Leonard and Transpood, Na. puts were arranged, but a double was done in Standard Chartered. done in Standard Chartered.

RISES AND FALLS

#### FT-ACTUARIES SHARE INDICES These Indices are the joint compilation of the Financial Times.

the Institute of Actuaries and the Faculty of Actuaries

	equity & Sub-S					Mo	и Ар	Fri April	Thers April 3	Wed April 2	Year ago (approx.)					
F	igures in parenth Socks p	eses shower section		le le	idex (	Day's honge	Est. Earning Vield % I Max. 1	Yield %	t (Net)	nd adj. 1986 to date	ladex No.	Index No.	index No.	Todes. No.		
1	CAPITAL EOO					14	7.90				7 736.2	5 737.7	5 735.0	535.82		
2	Bullding Materi					2.1	7.95					9 843.5	5 833.36	487.58		
3	Contracting, Con Electricals (12)					·1.3 ·0.7	7.94						5 1163.99			
5	Electronics 138					1.1	7.13 8.91				1986.5 1666.5		6 1965.50 0 1691.37			
6	Mechanical Eng	incering	(64)	41		0.9	6.59									
8	Metals and Mcta	al Formin	g (7),			6.3	7.80			8.06	330.8	332.9	329.84	191.48		
9	Motors (17) Other Industrial	Managin	. /225	- 29		1.7 1.7	6.33									
21	CONSUMER GI			94		16	7.21									
22	Brewers and Dis	tillers (2	3)	95		13	8.25	3.19					955.82			
25	Food Manufactu	ring (221		68		2.2	8.67	3.72	15.05	3.89	702.6	692.30		489.75		
26	Food Retailing (14) Health and Household Products (10). Leisure (24)		191		12	6.25	2.38									
27 29					1.0	5.01 7.54	2.87 3.69		1.52							
32	Publishing & Printing (141				15	7.28	3.80						652.33 1731.20			
33	Packaging and Paper (14)				23	7.72		15.59	1.89							
34			95		1.3	5.78	2.33	23.47	1.32							
35	Textiles (17)				28	8.64	3.23	13.25	0.43	573.44	574.41		317.97			
16	Tobaccos (31				3.2 1.3	11.46 8.10	4.65	10.18 15.73	29.60							
2	Chemicals (19)				0.8	10.15	3.47 4.38	11.87	14.99							
4	Office Equipment 14)		264	4.11 +	0.2	7.33	3.76	16.25	3.81				178.34			
15	Shipping and Transport (12)		165		11	7.26	3.63	16.61	14.45	1674.28	1677.64	2662.69				
77		Telephone Networks (2)				15	7.96	3.12	17.22		1058.03	1035.16	1036.49	834.20		
8 19	Miscellaneous (49)		103.	1033.32 - : 875.51 - :		6.98	3.20	17.63	2.67			1845.81	825.35			
7		INDUSTRIAL GROUP(483)				3 +6.8 18.7	7,61	3.17	16.63	4.42				625.03		
•				1 & Gas (17)				12	_	7.55	6.46		1185.43			1172.3
-		CIAL GROUP (118)		SCO SHAPE CHOEX(500)				2.9	8.69	3.61	14.34	7.06				670.76
2 (						12	16.95	4.88	8.22	5.90 12.90				449.08 424.07		
5	Banks (7)		ce (Life) (9)			0.9	14.75	4.08		4.56			392.99	576.14		
6		mposite) (7)			1.84 -	ᆸ	_	4.05	_	4.29				334.48		
7	Insurance (Broke					0.2	7.13	3.65	18.70		1269.05			1145.72		
8	Merchant Banks Property (51)		**********	744		1.4	5.45	2.85 3.33	24.59	1.60 1.50	364.27 748.43			230,86 624,91		
óΙ	Other Financial (	25)		354	43 -		7.36	411	16.29	1.64	362.60	357.92		285.84		
1	Investment Trust	s (103)		748	38 -:	1.1		2.90	-	4.32		759.99		591.12		
1	Mining Finance (					3.0	19.36	4.70	11.24	1.60		325.74		297.44		
3	ALL-SHARE IN						12.31	5.87	9.65	8.09	699.46		701.42	653.87		
<del>7  </del>	ALL-STIAKE IM	NEW (130	· /	$\overline{}$		2		3.69		6.56	832.36		825.00	612.14		
1				Indi		ay's	Day's High	Day's	Apr 4	Apr	Apr	Apr	Mar	Year		
7	FT-SE 100 SHA	SE INDE	X3			2	1763.5	LOW TAREA		1777.6	1702 0	1684 0	27 1668.8	290 1270 2		
_							<del></del>				2702.7	300-10	1 10002	2274.2		
	FIX	KED	NTE	REST	ſ		1	REDE	AGE GRO MPTION	71ELBS		Man Apr 7	Fri Ager 4	Year ago (approx.)		
	PRICE	Mon	Day's	Fel	and adj.	$T_{a}$	adi.		di Govern			$\neg \neg$				
	MOICES	Apr	ctange	Apr	today		a⊊ 1	1 Low		years		8.27	8.37	10.84		
		7	%	4			date	2 Coupa	ts 1:	years		8.63 8.63	8.67 8.67	10.71 10.24		
Je	wittsb Gaytrument		, — —		1	+-	-1	4 Medica		years		928	9.37	11.72		
L / Z	years	122.70	+0.30	122.34	1 —	1 3	28	3 Coupor	15 15			9.02	9.09	11.01		
	-15 years	145.54	+0.42		l —	- 3.28 - 3.12		61	25	years		2.94	9.04	10.44		
	wer 15 years	155.04		60 154.12 — 3.61		•	7 High	5	years		9.33	9.40 9.23	11.61			
	rredeemables	173.47	+0.25		=			8 Coupus		yezrs years		9.16	9.23	11,17 10,56		
-1-	ul stocks	143.59			į —	ı	62 ]	0 irredec	snables	, Jest 3	+	8,72	8.74	19.56		
-		24133	+0.49	14615	├─	<b>↓</b> 3	36	_	Linked			<del></del> +				
	ndex-Linked				l	1		1 Inflati			5 yr≤	3.70	4.97	0.0		
5 5	years	111.48	+0.91	110.47	! —			2 Inflat e		Över S	VT5	3.62	374	8.0		
7 0	wer 5 years	112.55	+1.99	119.45	i —	0.91		3 Inflatir	rate 10%	• 5	yrs	264	3.00	0.0		
3 A	il stocks	112.44	+1.60		_		ge [	_	rate 10%	Over 5	yrs	3.46	3.58	8.8		
÷					Ļ,	-	1	5 Debs &		5 years.		20.17	10.18	12.89		
10	ebertures & Loans	122.80	+0.22	122.53		2	48 1	6 Loters		15 years.		10.97	10.09	11.79		
	1	1	ı <b>1</b>		į	1 -				25 <u>years.</u>		9.97	10.00	17.60		
ı	reference	24.84	_	84.84	_		<b>17</b>   1	Riberton			-1	77 47	77 27	12/6		

ring Index 1702.9; t0 a.m. 1694.1; 11 a.m. t686.7; Noon 1689.6; 1 p.m. t690.1; 2 p.m. 1691.5; 3 p.m. 1691.3, 3.30 p.m. 1690.2; 4 p.m. 1690.0

## Stock Changes Standard Charit 72 Amstrad ... 39 Midland Senk 39 Brecham ... 36 Woolwarth ... 36 Woolwarth ... 33 RTZ ... 31 Sholl Trans ... 31 Hillsdown ... 30 SAT Inds ... 29 Aurors .... 27 NatWest Sank ... 37 the set of 61098 805 488 553 386 900 706 760 768 310 395 734 +73 -1a -40

NatWest	Bank 27	900	+1 <u>n</u> v	ickera		538	
E	UROPE	AN C	PTIO				
	Séries	Val.	Last V	Aug.	Vol.	ov. Last	Stock
01000000000000000000000000000000000000	5340 \$550 \$550 \$570 \$400 \$300 \$590 \$340 \$340 \$350	1n 62 98 1n 16 141	3.50 8 5	8 25 0 19 6 15 9 9 7 3.70 3 4 1 9 9 9 6 15	3 10 32	94 19 19.30 8 	\$338,4
£/FL C	F1,590	Jun In .		Sept.	. 10	ec.	- 700
10000000000000000000000000000000000000	F1.400 F1.405 F1.255 F1.260 F1.295 F1.275 F1.281	194 50 95 1 99 1 465 226 139	4.20 11 3 - 5.50 - 2.10 - 8.40 - 9.90 16	9.10	8	10.90	F1.290,
8:FL P 8:FL P 8:FL P 8:FL P 8:FL P	FI.285 FI.290 FI.295 FI.250 FI.250 FI.260 FI.260 FI.299	58n   109	1.36 17 1.50 2 1.10 4 1.60 A 1 1.40 A 1 1.40 A 1 1.41 4 1.40 A 1	7 4 3.70 6.20 7 5 7 5 8.50 10,40		11111111	# # # # # # # # # # # # # # # # # # #
ABN C	F1,600; F1,560;	Apr. 633 ! 7	.90 · #80	July : :26.50 ;	Oc	31 B:F	1. 594
ABN PAEGN CAEGN PAH CAH PAKZO CAKZO PAMEV CAMEV P	F1,560; F1,110; F1,105; F1,90; F1,90; F1,180; F1,60; F1,80; F1,80; F1,75;	42   D 70   1 39   1 14   0 8 2583   5 61   0 39   1	90   147 40   54 20   97 50   188 5   56 30   1553 10   653 80   185 50   23	2.50 5.10 5.70 2.70 8 6.70 1.80 5.10	11 11 519 128	16 4	1.167, 1 2. 85 1.181, 1 1. 79.5
AMRO C AMRO P GIST C CIST P HEIN C HOOC C KLM C KLM P NEDL C HEDL P	F1.23 F1.105 F1.300 F1.290 F1.820 F1.100 F1.55 F1.60 F1.180	15 11 72 2 151 2 168 21 537 2 173 0 123 5	80 180 10 31 4 79 50 24	14.50 4.60 13 8.10 23 6.50 7.20 8.40	150 40 7 1 156 58 80	7 17 Fi 2.90 24 Fi 9.80 B Fi	.106,7 .990,6 .840,5 .100,7 .55,6
NATN C NATN P PNIL C PHIL P RO C RD P ROSE C UNIL C UNIL P	F1,80 F1,60 F1,55 F1,190 F1,170 F1,85 F1,420 F1,420	157 1 4 1 205 4 48 842 4 18 0 305 11	60   t29 10   64 80   175 1   244 30   498 10   462 20   63 \$ 8   165	3.50 6.90 4 8.10 1.90 2.80 24 8	60 48 171 47	7.30 F 8.70 F 5.20 F 1.30 F 4.70	. 64,64 1,192,4 1,92,7 1,428
TOTAL V	OLUME IN C					•	-
	A=Ask	6≃6	id C=	Çalı P	=Put		

Ore Gold, Queen Margeret Cold, Swan Resources, Hempton Areas.	Richardson Helical Bar,	Westgarth, Bestwood,	BSR, Artec		<b>.</b>	·	-	707 (
								7.50 1,52
	NDON TRA	ADED O	PTI	DNS	1:7:	· · · ·		
Option Apr. July Oct.	PUTS Apr. July Oct.	- Order			LLS	<del></del>	PUTS	- [
6.P.   500   72   95   102	2 1 5 18	P. & O.	420	127	Aug. No	- 1	Aug.	Nov.
1 600   5   25   35	10 18 25 38 45 50	(*635)	460 300 350	87. 50 22	72 8 45 5	3 8	15	12 23 47
Cons. Gold   460   47   99   77   600   20   40   97   37   37	18 89 35 52 49 55 78 75 77	(*188)	160 180 200	34 20 10	30 31 18 21	1 3	10	13
Courtaulds 850 49 57 58 (*517) 280 29 44 48 48 55	1 1 8 8 7 14 15 7 14 16	RTZ.	500 i	132	12 1	34	26 15	40
Com. Unioni 280   38   45   50	7 14 16 27 29 30	(* 799j	700 750 800	90 80 32	85 9°	42	47 75	42 52 80
(*319)   500   16   50   57   530   4   17   24	8 18 17 96 30	Vazi Reefs (*\$70)	70 80	9 8	181 <sub>2</sub> 10 13 10		1 3	lii
Cable & Wire   500   105   135   135   136	1 12 19 4 22 27 50 43 58 65 75 88	TR(12% 198). (°£110)	106	4101	4541	12 32	25 23	17 85
Distillars ( 590 (159 )168 (173	65 75 68 1 11 <sub>9</sub> 9 2 2 5	1R112905/07 (*8123)	100 110	8141 B141	64	110 110	9	3.5
650 62 70 80 700 25 42 47	12 20 28	(3125)	120 122 124 126	345	44		84 54	410
G,E.C. 160 38 48 59 120 90 30 38 200 5 18 84 990 6 6 14	2 2 5 5 7 9 10 14 18 28 50 54	Option				434	6	7.
Grand Met.   327   90   1111   122   (*413)   356   62   83   97	11414	Bascham (*406)		119 j1	95 1 -	1 5	Sept.	Dec.
389 48 68 60 480 14 37 80	15 28 36		360 390.	41	78 83 55 68		12	15 27
LCJ. 600 142 197 190 (*222) 850 92 117 140 900 45 74 87	1 5 8 3 13 92 8 91 36	Boots (*276)	260. 280	10 (	49   67 36   48 25   34	10	7 13 21	0 16 22
950 92 50 70 1000 10 35 52	77 85 99	BTR (*475)	480 461 600	2B	78 83 65 45	13 3	801 43	30 52
(*511) 500 15 29 37 35 14 90	5 11 14 61 26 99	(*813)	760  1 800   850	70 . 1 . :	25   198 95   125 70   110	8 97 85	20 40	27 60
Marks & Sp., 160   68   66   71   (*216)   180   38   45   91   200   18   31   42	1 2 2 1 4 7 2 8 10	(1978)	650	42	32   130 70   20	25	10 30	15 35
8hell Trans. 700   71   07   110   1°768)   750   83   60   75	7   17   10	De Seers (*\$7,45)	700   760	90 119 85 10	0 110	22 57	48   40   80	58 65
1800   8   8   46	12 25 80 43 48 85	GKN (*376)	300   6	96 6 58 7	80   85	70     3     7	86	90
Traffgar Nse   500   16   33   49   (*312)   530   7   18   28   28   360   5   6   12	21 28 29 50 50 8n		890   C	30   3	66 44	15 33	61 56	21 55
Option May Aug. Nov.	May Aug. Nov.	C1002,	950 II	55 H	In 120	30 50	39 PS	69
Brit Apro 450 116 125 1250 1	6 5 12 4 10 20	Hanson (*183)	180	57   4	6   90 10   38	2 j	4	90
551 40 70 87 500 23 42 62	18 27 55 45 33 60		200	15 2	2 27	8 16	8 18 23	7
6AT inds (*370) 55 (75 ( 90 (*375) 350 ( 55 ( 60 ) 72 ( 390 ) 17 ( 42 ( 60 ) 480 ( 2 ( 26 ) 42 ( 60 ) 480 ( 2 ( 26 ) 42 ( 60 ) 480 ( 2 ( 26 ) 42 ( 60 ) 42 (	4 7 11 12 18 90 25 30 55 45 47 52	(*483)	450 g	13 6	3 75 0 58	1 10	13 30 60	 8ē
Baroleys 1 460 j 77   98 (110 )	9 1 5 4 30	Thorn EMIL	420 j ş	6 11	8 127		80	80 -
650 25 45 62	10 17 20 37 48 47 77 82 87	7	500 3 550 I	7 5	3 75	32	10 80 55	15 87.
Brt Telscom   \$20   56   64   70	1 8 4	(*571)	350   8	8 6	5 73	8	10	62 17
290 ) 8 1 16 1 85	10 15 20 28 26 28		1	5 1 2			15 20	25 38
(*866) 380 87 40 60 360 17 27 35	5 8 2 13 17 18	FT-8E (157)	-fi.	May Ju 138   16 115   12		pr. May	11	July
1.140   20   27   35	5 10 12 12 15 17 16 20 25	(*1690) 168	5 60 l	85		2 14 8 16 8 23	82 28 40	-
Longto 1 240   55 1 75   77	32   32   35	167: 1700 1780	하하다	60	115 1 14 100 5 14 88 8	6 40 55 70	55 66 77	57 60 100
(*299) 250 47 58 52 280 301 47 51	1 2 3 9 10 8 10 8 15 12 16 24 27	April 7 1	Total oc	- (	10.000		112	185
		Puta 6,	. '	nug 9(1)	ing secu	ity price	901. I.	



		- W	ORLD STO	CK MARKETS
	HORMAI	ice + or April 7 Aust.8		CANADA
BASE   100   100   BASE   BA	327.5   -2.6   Sergens Bank   14   Sergens Bank   38   38   38   38   38   38   38   3	7.6   + 1.5	MHI   Bank   1,030   -6   Mitsul Bank   1,030   -6   Mitsul Bank   1,030   -6   Mitsul Bank   1,030   -6   Mitsul Estate   1,440   -50   Mitsul Estate   1,440   -50   Mitsul Catago   245   -3   Mitsukosh   265   +15   Moreon   265   -6,18   Mitsukosh   265   -15   Mitsukosh   265   -30   Mit	TORONTO
Hoboken	State	10011   100111   10011   10011   10011   10011   10011   10011   10011   100	Ricoh	## 357 Bk Monti \$333, 33
19.5   530   8arico   19.5	Com'/a   26,500   -510     Com'/a   26,500   -510     Com'/a   26,500   -510     Com'/a   2,250     Com'/a   2,250   Com'/a   2,250     Com'/a	Orient Orsess	Toppen Print 1,350 -30 +0.3 Toay 557 -11 +0.85 Toahibe Elect 429 +4 +1.78 Tourible Elect -429 +4 +1.78 Tourible Elect -420 +4  +1.78 Tourible Elect -420 +4  -60 Use Index 9,500 +10  Yamaich See 211 -38 Y'mencuchiPrint 5,270 +30 Yasuda Fire 650 +10  SINGAPORE  April 7 Price + or  8 Tourible Elect -420 +4  April 7 Price + or  2 Boustand Hidgs 0.89 -0.81 Cold Storage	2900 Cen Tituat \$55% 53°2 53°2 - 19 100 Grahon A I \$15% 15% 15% 15% 15% 15% 15% 15% 15% 15%
Bongrain	Diding	195. +6 Chugal Pharm 1,230 Chugal Pharm 1,450 Chugal Pharm 1,450 Chugal Pharm 1,450 Chugal Pharm 1,450 Chugal Pharm 1,550 Chugal Pharm	10 Haw Per. Bros. 1 B1 -0.12 20 Hong Leong Fin. 1.84 +60 Inehcape Bhd 1.124 +0.01 Keppel Bhipyard 0.70 -0.91 Halay Banking 3.78 -0.96	NEW YORK.00W JOMES
Darrart	106.7 + 0.3   106.7 + 0.3   106.7 + 0.3   106.7 + 0.3   106.8   106.	23; +123   Fanuc	Melii Purpose,   0.59	Agril   Agril   Agril   Agril   Agril   Agril   Agril   Agril   1985/86   Since Compilation
	UNTER Nasdaq national n			N.Y.S.E. ALL COMMON   HISES AND FALLS   St.
Stack Seles High Low Last Chag (finds)  Continued from Page 45:  Onter 284 134 383, 38 384, 38	Stock   Sales   Hegh   Low   Last   Cling   Stock   RepRey   1.40   54   50%   63   +1   50me   South   RepRey   1.40   54   50%   63   +1   50me   South   RepRey   1.40   54   50%   63   +1   50me   South   RepRey   1.40   54   53%   23%	Sales High Low Lest Ching	Stack   Sales   High   Low   Last   Ching   Black     UProxed   37   11   1004   1004   14     UProxed   33   145   141   145   145   145     US   Ant   74   259   27-16   29-16   1-16     US   Bop   1   581   4016   3954   3304   17     US   Bop   1   581   4016   3954   3304   17     US   Sur   406   798   236   236   236   236   166     US   Tre   1.2   50   534   5314   537   1-16     US   Sur   406   798   236   236   237   1-16     US   Tre   1.2   50   534   5314   537   1-16     US   Starn   24   707   227   227   227   1-16     UN   49   2804   285   285   1-16     UN   49   2804   285   285   1-16     UN   49   2804   285   537   1-16     UPRO	131.14' 132.29 134.41 136.08 136.17 94.60 Recent color of the color of
Piccas 2539 341g 324g 33 - 11g  Piccas 52 508 240g 24 24 - 4 1g  Pontis 104 361 39 371, 371 - 2  Pontis 10 10 10 10  Pofolik 77 11 105g 164g  Proper 537 31 307 31 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	September   Sept	EX 157 4 334 334 34 15 15 15 15 15 15 15 15 15 15 15 15 15	Vollect	Hambros
Radion 439 144, 145, 145, 146, 146, 146, 146, 146, 146, 146, 146	Supplers	179   179   101	X Y Z  Xicor 442 914 69 817 54  Xicor 442 918 69 817 54  Xide4 54 2795 34 335 154 35  Zingler 488 1 1884 1851 1254 12  Zingler 488 1 1884 1851 1254 12  Zingler 36 48 37 33 37 5 14  Zingler 32 548 558 5524  Zingler 36 57 38 558 5524  Zingler 36 57 38 558 5524  Zingler 36 57 38 57 58	Special Subscription Hand Delivery Service of the FINANCIAL TIMES FUROPES BUSINESS NEWSPAPER in MADRID  For details of how you can obtain your subscription copy of the Financial Times, personally hand-delivered to your door, contact:

C	ANA	D.	A	_																•			
Sales	Stock	High	Low	Class	Clang	Sales	Stock.	•	Low	Clase	Cleng	Sales	Stock	High	(mw	Close	Ching	Sales	Stuck	High	Low	C7058	Ching
_	TOF	RON	OT			6395 38600		516% 56%	e.	161 <sub>4</sub>		900 160	Indal Inland Gos	\$261 <sub>2</sub> 5111 <sub>8</sub>	1119	267 <sub>7</sub> 117 <sub>8</sub>	+ 12 - 14	1700 1400	Provigo Qua Siura	619 <sup>1</sup> 2 390	193 <sub>8</sub> 390	190 <sub>0</sub> 390	+ 1 <sub>0</sub> + 10
	Prices			1		75145 3000	CANN B I	\$18 <sup>3</sup> 4 560	18 <sup>1</sup> 2	181 <sub>2</sub>	31	8900 6100	Innopac Inter City	S 18% S 15%	181, 151,	181 <sub>2</sub>	- 1a	700 112390	Ouebecor Rangar	516 \$51₄	16 51a	16 51,	- 1
l	À	lpril '	7			22567 75200	Computing	5137a 561>	13 574	131 <sub>8</sub> 674	_	6200 20124	Inti Thom Intor Pipe	593g	91,	974 4372	- %	1000 4700	Rayrock 1 Redpath	\$63, \$245	834 241,	63,	
28220 1600	AMCA Ini Aberiord	\$ 18) <sub>4</sub> 495	193 <sub>4</sub>	19 <sup>0</sup> 4 490		2750 4608	Comput In Comjerm	345 195	335 185	345 185	+ 10 - 10	400 29200	ipsco Ivaco A 1	\$97 <sub>4</sub> \$26	93 <sub>8</sub>	90 <u>.</u> 251,	- 34	1000	Regioni R Resiman A f	255	250 29	245 <sub>8</sub> 255 29	+ 10 - 1 <sub>4</sub>
9856 700	Abilibi Pr Acklands	\$241 <sub>4</sub> \$21		24 21	+ 49	78779 8750	Con Bath A CEssib B I		203 <sub>4</sub>	263,	- 14	1300 3532	Ivaco B Jannock	\$26 \$24%	26 24°a	26	- 1 <sub>8</sub>	18430	Rio Algom Rogers A	\$251) \$201 <sub>8</sub>	251 <sub>8</sub> 200 <sub>8</sub>	25°4	+ -2
4600	Agnico E	\$24 <sup>3</sup> 8	24:8		+ 5	4231 600	Cons Gas Con Glass	526½ 523	26 g 22 g	2614 2214	+ \a - 3g	628	kerr Add Klena Gld	516 5231	16	18 23	- 18 + 14	14390	Rogers B 1 Roman	5207a 8117a	505*	204	- 16
72047 2900	Albria En Albria N	\$123 <sub>6</sub> \$13	127a	13	+-48	6950	C1L Bank Conwst 2	59% 56%	654	928	~	5038	Labati	\$40 \$190	38 .	40	- 14	2400	Rothman	S35 ~	113 <sub>8</sub> 35	113 <sub>6</sub>	+ -9
44691 100	Algo Cent	2307 2307	203,	203	+14	432	Corby	5 191,	19	62g 19		187D	LL Lac Lecans	561	81.	812 1718		99453 7332	Royal Bnk RyTico A	\$315g \$307	313 <sub>8</sub> 301 <sub>4</sub>	ر ا31 چ300	+ %
8781 1600	Algoma Si Asameia	518 <sup>1</sup> 2 \$9: <sub>8</sub>	958	9.	- 14	5600 3200	C Falcon C Coseta R	170	171 <sub>2</sub> 165	171 <sub>7</sub> 165	+5	6751 60030		\$177g \$177g	175a	177	÷ 1	22439 980	Royes St. CemA I	305 \$321 <u>.</u>	290 32	300 32	- 1 <sub>5</sub>
357 400	Alco II	5874 587	834 838	83 <sub>4</sub> 8'8	+ 1 <sub>9</sub> + 3 <sub>8</sub>	1709 6624	Costein Ltd Crowns	529	123 <sub>8</sub> 29	1274 291 <sub>8</sub>	+ 1 <sub>8</sub>	21700 100	Leigh Inst Loblaw Co	555 <sub>6</sub> 5363₄		53. 263.	- 18 + 14	1920 200	Sception Scot Paper	285 <b>\$2</b> 6	260 26	280 26	- 10 - 14
3750 930	BC Sugar A	\$2274 \$754	22 <sup>7</sup> 7	22 <sup>4</sup> 8 738	+ 36	6975 3700	Crowns A 1 Czar Res	52712 140	27°3 140	273 <sub>8</sub>	+ 6	4090 1600	Lumonics MICC	516°a 390	167 <sub>2</sub> 390	16°s	+ 'e	1318	Scotts C	5347 <sub>6</sub>	341g	341g 341g	- 12 - 28
4800 100	BP Canada Banrster C			28	- 11 <sub>8</sub>	4450 22600	Oaon Oév Denison A	240 59	435 8°6	435	- 10	3434 45180	NSR Ex	240 5 181 <sub>2</sub>	225 18	225 181 <sub>4</sub>	-5 -14	63337 11318	Soagram Sears Can	\$73 514	72 <sup>1</sup> 2	7212	- 12
31388 48257	Bk 8Col	350	37D	370	_	27050	Develon	58° <sub>8</sub>	61, 385	83, 385	+ 14	200	McIn HY I	517 5284	17	17	-6	714 7785	Selkirk A I Shell Can	52512	2512	2514	+ 1
50797	Bk Monti Bk NScot	\$333 <sub>6</sub> 6137 <sub>8</sub>	735	337. 133.	+ 74	2100	Deckrism A f	57.4	•	714	+ 14	25765	Magna A I	6305 <sub>6</sub>	3(0 <sub>8</sub>	303 <sub>8</sub>	-14	133519	Sherritt	\$24% \$73 <sub>e</sub>	234 712	23° <sub>0</sub>	- y <sub>0</sub>
86127 2400	Bluesky	5393 <sub>8</sub> 265	260	391 <sub>4</sub>	+ 5	18910 35086	Dome Coa	5306 <sub>8</sub> 55-3 <sub>8</sub>	51 <sub>2</sub>	305g	+ 14	2173 5600	Marilime f Mark Spnc	\$150 <sub>4</sub>	15%	15%	- 2	4300 7056	Southm Spar Aero 1	5194 5293	190 <sub>8</sub> 285 <sub>8</sub>	193 <sub>8</sub> 265 <sub>8</sub>	- 1
2930 53175	Bongata R Bow Valy	265 8113		260 111 <sub>2</sub>	+ 18		Dome Pele	219	212	10°4 213	+3	35396 5800	No Intyre	262 \$44	258 431	258 431 <sub>4</sub>	- 11,	100 7415	Siembg A ! Sielce A	\$263,	42 263 <sub>8</sub>	4) 263 <sub>4</sub>	± 3g
3300 2602	Bratorne Bramales	165 \$171 <sub>8</sub>	155 17	165 17	+ 15 - 1∎	35950 3990	O Textig Domtar	\$195 <sub>8</sub> \$314	311	181 <sub>2</sub> 311 <sub>A</sub>	- 10	1000 2700	Neiland E Ninn Res	217 240	227 235	227 240	-5	588 16364	Sulpua Teck B 1	72 5231 <sub>2</sub>	72 224	72 231 <sub>4</sub>	+ 30
4658 11250	Brascan A Bikwater	\$2378 \$594	235g 55g	237 <sub>8</sub> 53 <sub>8</sub>	+14	300 500	Donohue Du Pont A	\$271, \$330,	273	273 <sub>8</sub> 324	- 3 <mark>8</mark>	86714 40000		\$71g \$151 <sub>4</sub>	65g 151g	83 <sub>4</sub>	_ }a	2000 35740	Тегта Nn Таласо Сал	224	224	274	+4
100 12376	Brenda M	\$9 \$141 <sub>8</sub>	9	9 141	+ 14	48875 1200		\$164 860		161 <sub>8</sub>	+ 18	7996 500	Moison A 1 Moison 2			251 <sub>4</sub> 257 <sub>8</sub>	- 1	1729 38157	Thom N A Tar Dm 2k	5291 <u>.</u> 5241	283 <sub>4</sub>	291 <u>.</u> 241	13
13180	BC Res	149 S27%	142	145 27	+2	25141		\$211 <sub>2</sub> \$261 <sub>2</sub>	2178	211/2	+ !4	5005 72100	Moneco A		61 <sub>8</sub> 213 <sub>4</sub>	67a 2134	- 18	250 846	Tor Sun Torster B 1	\$24 \$53	24	24 529	* *
9339 441	BC Phone Brunswk	5131	1314	134		948 2000	Equity Syr	475	470	261 <sub>2</sub> 470	- 14 - 5	3128	Moore	\$35	34.	35 197	+ 10	12000	Tolsi Pet	520	52% 193 <sub>8</sub>	20	- 2
21982 6716	CCL 8 !	\$205g \$ 191;	201 <sub>2</sub>	201 <sub>2</sub> 181 <sub>2</sub>	- 18 - 18	1200 90425		\$171 <u>.</u> 52 <b>4</b> 3	244	17 243 <sub>9</sub>		17300 33141	Nat Bk Car	\$197 <sub>8</sub> 6263 <sub>4</sub>	261	. 63	+ 3,	38200 3827	Traders A I TrCan P A	\$35 145	35 140	35 140	+ 1, - 5
6700 23400	Cad Frv Cambridg	\$171 <sub>2</sub> \$237 <sub>8</sub>	233	231,		2100 200	Fed Ind A	5143, 5171,	14%	143g		944 400	Nt V <sub>B</sub> Tree Nii CepA 1	57%	271. 73. 173.	271. 73	-%	250 32474	Tras NI Transta UA	\$10°; 527°4	101 <sub>2</sub> 27	101 <sub>2</sub> 271 <sub>8</sub>	+
	Camp RLk Camp Res	5240 <sub>8</sub>	243g 175	2415 175	+3 <sub>8</sub>	2800 301	FOIN Fin Ford Crida	\$173 <sub>8</sub> 51681	121g	124		7600 21646	NGC LP A	5 18 5 185 <sub>6</sub>		18 181 <sub>4</sub>	+ 14	6285 40227	TrCan PL Tulon A	\$18Fg \$30%	185g 501g	183 <sub>4</sub>	-14
717 1100	Campagu 1	\$285 <sub>8</sub>	28%	283 <sub>8</sub>		2200 5800	Gendalf Gaz Men	\$6.6 \$10.6	84	8	~ 18	979 310	Norcan Norca aid	\$134	1314	1314	+ % - %	2868 500	Turnac Turnity Res	210	210 90	21D	•
3873 2190	CCem ex p		15%	153 <sub>4</sub>		3010 2200	Geac Comp Gendis 4	S67,	5°g	61 <sub>4</sub>	+ 50	60900	Nor Tel	539	39	393	+ 1,	24200 320	Trizec A f	\$37 \$37	36' <sub>4</sub>	37 37	+ 12
1100	Çan Mali	520	93 <sub>4</sub> 20	20	+34	12686	Genster L	\$411 <sub>2</sub> \$561 <sub>4</sub>	56	561a	+ la	2920 43316		450 \$51 <sub>2</sub>	445 518 1014	445 51 <sub>2</sub>	- 5 + 1 <sub>8</sub>	7447	Ulster P	135	131	135	+5
32200 1300	C Packis	\$3912	151 <sub>2</sub> 391 <sub>8</sub>	151 <sub>2</sub> 391 <sub>2</sub> 360	- 17	2500 700	Grant Yk Gronhan	\$229 <u>.</u> \$9: <sub>8</sub>	ec.	221/ 91 <sub>1</sub>	+ 12 - 13	400 6396	Nowsco W Nu Wesi	\$10% 41	1014 40	101 <sub>8</sub>	- 16 - 27:	1520 6050	Un Carbid U Entprisa	\$17 \$111 <sub>2</sub>	165a	185 <sub>8</sub>	- 36 + 18
1500 2900	CS Pete 1 Can Trust	380 5535		531,	+ 10	29158 100	Goldcorp   Gration A	\$61. \$15%	62 <sub>8</sub> 1558	61.7 7548		3300 4300	Numac Qakwa A /	\$50 320	87 <sub>8</sub> 310	91a 310	- 10	21000 2507	U Canso Un Corp	74 \$43	73 43	74 43	+ 1
706 100	CC Nan Y CG Invest	578°8 \$49°4	257 <sub>8</sub> 491 <sub>4</sub>	28°8	+ ig - 12	3500 19960	GL Forest	5251; 530%	2518	251 <sub>6</sub>	- 5g	4200 1568	Ocelot B f Omega Hyd	350	340 475	350 460	+ 10	4490 5100	Versti A I	365 355	340 355	350 365	- 10 10
	C Mercon	\$20°s \$25°s	203 <sub>8</sub>	20%	+14	4700 8645	GuarPA 1 Guli Can	\$13 \$161	1258	1278	~ 1	1000	Osnawa A I PacW Ani	\$39	3834	39 133 <sub>4</sub>	1g	7600	Vesignon Vulcan Ind	150 \$61 <sub>8</sub>	145	150 61 <sub>8</sub>	+ TC
23800	C Ocdental	51814	15	18 ~	- 14	3000	Hawker	\$261,	2614	2614	- 4	1100 50245	Pgurin A f	\$139 <sub>4</sub> 616	155	1514	m la l	1601	Waller R	\$1834 \$36	1834	183 <sub>4</sub>	+ 12 - 14 - 18
71821	CTira A 1	5181 <sub>7</sub>	141,	1415	- 1a - 1a	1351 25620		5143 <sub>3</sub> 5295 <sub>8</sub>	2017	2912	~ 1 <sub>0</sub>	150 17340		\$104 \$248	24	24	- 1	7600	Weiburne	\$1578	355 <sub>8</sub>	15'a	_
8800 12100	CUUIA I Camor	\$ 193 <sub>9</sub> \$ 131 <sub>4</sub>	13	13 ~	·- 1g	700 6849	Heritag A I H BayMn a	575	75 <sub>8</sub>	2212 730	- 3-	6100 22350	Pegasus PJewi A I	58 <sup>1</sup> 8 613 <sup>3</sup> a	83 <sub>4</sub>	87g 131 <sub>4</sub>	- 16	1250	Wcoast T Wesimin	5131 <sub>7</sub> 593 <sub>8</sub>	133g 93g	131 <sub>2</sub> 83 <sub>8</sub>	+ 14
1200 2100	Cara Cara A 1	\$271 <sub>4</sub> \$284		27¹₄ 26⁴s	+ 18 - 18	2087 10836	H Bay Co Husty Oil	5292, 581,	236g	29% 81:	- 18 + 18	1725 6900	Pure Point Placer 0	593, \$223	91,	91.	-3 <sub>8</sub>	525 10365	Weston Woodwd A	\$128 \$7'2	127 73 <sub>6</sub>	128	+ 1
7650 16000	Carl OK	\$ 14° <sub>6</sub> 20		14-y 20	•	31010	8 Imasco	53414	3314	330,	~ 3g	12423	Poco Pel	\$8 a	83.7	8°8	+ 38		voting rights	_	_	-	vina.
8500	Carolin	181	190	190	-2	31220 94985		521%		461 <sub>7</sub> 21%	- 1 <sub>2</sub>	8725 12000	Powr Cor 1 Precamb	\$28° <sub>6</sub>	281 <sub>3</sub> 315	261 400	+ 35	ngnts			- was it		y
		_							_	_				_				·					

#### **Indices**

ij	YO			1		11.5	198	5/66	Since Co	mpilation		Apr.	Apr.	Apr.	Apr.	High	16	B6 Low
	April 7	April 4	April 3	April 2	April 1	March 27	Hugh	Low	High	Long	AUSTRALIA All Ord, 111:801	1148 5	1155.5	11400	1175.0			1010.0 1211
als	1,723.66*	1,739.22	1,788 40	1,795.26	1,790.1	1,821.12			1821.72		Metals & Minis, (1/1:80)	646.3	560.1	555.5	560,4	1168.8 :25. 602,0 :24		492.5  2:11
ori	772 45*	779.32	800.6B	813.67	812 0	95 828 35	830.84	553.03	830.84	12.32	AUSTRIA Credit Bk Aktien (2/1/62	715, 17	114,66	114,47	114.174	T26,82 (1	6:1)	. 110, 12 (5/8)
,	183.57*	185 55	189 68	191.27	191 3	12   191 53	193.73	146,54	193,73	10.3	BELGIAN Bruxsels SE :1 1(80)	5662,88	3644, 21	3809.46	\$582, 17	3662,89 (	714)	2768,51 (16:1
w		147m	148=	145m	167m	1784		44.1.85i	(31:3:85)	(28,4·43) —	DEHMARK Copenhagen SE 15,1:831	lni	(6)	(u)	211,40	244,40 :2	(4)	214,51 (21:1
_			T N	larch 21	362	rch 14	March	<del>                                     </del>	lest Ago (/	Assess	FRANCE CAC General :31,12,81		872_10	/u\	·u)	572,10		267.8 (2:1)
field	Qs		_	3.65	1	3.60	3.77	_	4.87	<del></del>	Ind Tendance 131 12-85	144,8	145,4	141,7	159,2	145,4	4/61	101.5 (2:1)
	NU POOR										GERMAHY FAZ Aktion (31/12/58) Commerzbank (1/12/53)		704.63 2085,5	699,94 2174,0	695.57 2107.1	715.15 [ 1 2165.6 \		618,34 (27:5 1865_6 (27:5
	April 7	April 4	April 3	April 2	April 1	March -	1965/ High	Low	Since Cor High	FE/A PER BELL	HONG KONG Hang Seng Bankiši 7 64-	1619,50	1643,80	1625.20	1603.27	1826,84	8.1.	1559,64 (19 3
# .	250,56*	252.56	258.58	250.22	259.37		263.87 7/8/25	128.24 4'l'5≦i	263.87 (77:2-統)	3 62 30 9 37	STALY Banca Comm Ital, 1972	717,97	728,61	728,15	7/2,22	732,92 :2	41	454,67 (34)
E	226.74*	228.68	232.47	235 71	235.14	238.97 2 12	38.97 7/3/56;	163.58 4 1 25	238.97 21 3 25	4 40	JAPAN** Nikkei .15 5 49; Tohyo SE Hew ;4 1 68;	15062,0 1205,87	15019,81 1202,53	15272,2 1116,06	15555.5 1245,85	15859,7 ( 1265,95 (\$	31.50 1 5:	12861,9 (21 1025,85 (21
			_	March 26	4_	(Jarch 19 3.98	Feb 19 3.31	_	car Aga I		NETHERLANDS ANP.CBS General : 1970: ANP.CBS Indust : 1970;	270.1 256,5	,∕€9,0 255,1	269.9 255.5	267.5 255,4	270,1 · 7 256,5 · 7		
Ĥati	90 8 1d Yesid	H 11 11 11 11 11 11		3.95 16.80 7.84	1	16.71 8.01	15.36 3.06		11.14 11.7	4	NORWAY Oslo 5E 14-1-88-	<b></b> <b>3</b> 55.99	258.94	558,85	352, 17	402,51 1 (6	·	841.SS (11/
ALL	COMMON						RISES	AND FA	LLS		SINGAPORE Straits Times (30:12:66)	685,22	588,51	593.28	697,41	644.85 (8,	1)	569,66 : 19 3
Ap		April	_	985	<b>-</b> -			April 4	April 3	April 2	SOUTH AFRICA J6E Gold (78.8 78) J3E Indust (28.9.18)	=			1216,9 1143,6	1501,5 (27 1208, 1 (20		1168,7 : 18:2 1863,3 :2:1[
132	29 134,41	135,08	136.17 {14:3/85		ks	sues trader		.848 438 .245	2.059 510 1.168	2.025 735 693	6PAIN Madrid 3E :50 12:851	158,15	158,90	161.94	161,14	162,58 (1,	_:	100, 85 (8:1)
L.,		L.,		<u></u>		nchanged		357	3\$1	397	SWEDEN Jacobson & P (51)12 85:	2201,72	2179.60	2188.54	2098,57	2201.72 (7	41	1728,57 (29:1)
				Chang		TVE ST	ocks			Change	SWITZERLAHO 6wlssBankCpn·31:12 58	599,5	601.0	588,0	595,1	\$25,5 (6;	<del>_</del> .	554,7 (28-2)
ay W	lker . 4	tredsd	pric	ng on e day	. 12	м	1	iradae	Closin pric	e day	WORLD M.S. Capital Intl. (1.1 %	~	298,0	502.2	506,3	503,6 131	.s	245,0 (25/1)

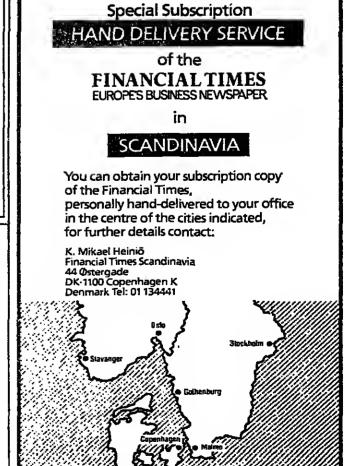
\*\* Balurday April 5, Japan Nikkei 15,124.33, TSE 1.210 59.

Base value of all Indices ere 100 excapt J3E Gald—255.7. J6E Industrial—264.3. and Australia. All Ordinery and Matals—500. HYSE All Cammon—50; 3tandard and Poors—10; end Toronto Composits and Metals—1,000. Toronto indices based 1975 and Montreal Portloto 4/1/83. † Excluding bonds. ‡ 400 industrials plus 40 Utilities. 40 Financials and 20 Transports. e Closed. u Unavariable.

Chief price changes  Chief price changes (in pance unless otherwise indicated)									
Ex 10%% 2005	; £1144 +%	STC	142 + 6 304 + 19 878 + 73 428 + 15 52 + 7 45 - 5 377 - 18 527 - 21 398 - 10 243 - 7 880 - 20 179 - 8 633 - 20						
NMC Inv Richardson West .	103 +20 55 + 9	† Price at suspension	495 - 40 n						

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## **FINANCIAL TIMES** WORLD STOCK MARKETS

**WALL STREET** 

## Fed dashes early rate cut hopes

THE FEDERAL Reserve acted firmly to discourage speculation of an early cut in its discount rate yesterday, writes Terry

Buland in New York.

The stock market fell sharply after the Fed drained reserves from the credit market by arranging overnight matched sales, a move which also checked a

strong rally by federal bonds.

Earlier the Wall Street markets had looked firm as the White House again expressed support for free market forces in world oil markets. But stock index futures fell after the Fed's action, and blue chip stock quickly followed.

By 2pm the Dow Jones industrial average was 16.52 down at 1,722.70.

Bond prices opened with losses of a full point as the dollar gained ground after the realignment of European Monetary System currencies. But the hopes of an easing in Federal Reserve credit policies brought a swift rebound to put longdated issues around 1/4 point up at one

The Federal Reserve's action to stem discount rate speculation, which had gathered pace over the weekend after generous liquidity belp from the Fed in the previous week, wiped out the bond market's gains. The Fed intervened

STOCK MARKET INDICES

1,722.70

904.59

290.0

545.8

April 7

Standard & Poors 500

Previous

779.32

186.55

832.36

915.93

15,061.98 15,019.81 12,627.1

1,205.97 1,202.33 992.43

550.7

114.66

3,662.89 3,644.21 2,279.17

1,563.53\* 1,561.71 128.91

145.4

704.63

1,691.60 1.643.80 1,471.25

255.1

353.94

588.31

158.90

2.201.72 2,179.60 1,400.81

601.0

Prev

302.2

360.150

C980.25

\$2,273.00

\$14.00

April 7 \$338.75

\$337.26

2,085.5 1,194.7

n/a 244.4

144.3

712.01

159,13

April 4

298.0

COMMODITIES

GOLD (per ounca)

2.165.8

2.266.1 2,055.0 3,017.4 2,604.3

186.06

215.7

76.4

412.99

820.64

82.57

418.4

Yearaci

200.3

351.50p

£983.00

\$12.25

\$335.25

\$334.25

\$336.76

\$335.75

£2,333,50

Year Ago

9.10

1,739.22 1.259.05

1,709.7 1,278.5

590.79

153.83

612.14

670.76

10.59

You FFr SFr

BFr C\$

240

220

200

NEW YORK

LONDON

TOKYO

Nikkel

Tokyo SE

AUSTRALIA

Metals & Mins

Credit Aktie

Beigian SE

**Montreal** Portfolio

FRANCE

Ind. Tendan

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

YAWRON

SPAIN Madrid SE

SWEDEN

WORLD

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

Silver (spot foring)

Copper (cash)

Coffee (May)

Pans (fixing)

New York (June)

Oil (Brent blend)

SINGAPORE

Strails Times

SOUTH AFRICA

ITALY

WEST GERMANY

Toronto Metals & Minis

All Ord.

AUSTRIA

BELGIUM

CANADA

FT Ord

DJ Industrials

DJ Transport

FT-A All-share

FT Gold mines

FT-A Long gilt

FT-A 500

S&P Composite

when federal funds were down to 7 per cent, after touching 6% per cent earlier. Tensions surrounding US policies toward the plunge in world oil prices eased after Vice President George Bush ended his visit to Saudi Arahia by saying that no "common solution" bad been found on how to stabilise prices.

Exxon shed an early \$\% gain to show a net fall of \$\% at \$55. Other oil stocks held on to early gains with Atlantic Richfield \$% up at \$53% and Chevron \$% up at \$37%.

Merck, the pharmaceutical leader, which often acts as a dollar-oriented stock singpost, dipped \$1% to \$163% as a strengthening US currency made it bar-der for Merck to sell overseas. Abbott Laboratories fell \$21/2 to \$801/4. Also depressing the Dow average was further weakness in the Detroit car stocks, where poor industry sales figures, and production cuts by major manufacturers bave unsettled investors. General Motors held steady at \$80, but Ford, down \$1% at \$79% and Chrysler, down \$1% at

\$39%, met some selling. IBM at \$148 eased \$% in modest turnover after announcing new products. Big Blue, which has been an uncertain guide to stock market fortunes recently, is currently attracting heavy review in the in-

Heaviest traded stock on the NYSE was Beatrice Group, up \$\% at \$49\% ahead of Friday's annual meeting at which stockholders will be asked to approve the Kohlberg Kravis Roberts buyout terms of \$40 a sbare cash and \$10 in

preferred stock. The money centre banks had another nervous session in the wake of the failure of a \$1bn Houston Savings Bank.

CURRENCIES

Previous

2.389

180.15 7.5725

1.994

2.6975

49.35 1.389

INTEREST RATES

US BONDS

10013/2

1101/202

143.04

134.26

145.01

179.23

US DOLLAR

182.7 7.6175

2.012

48.8

1.3835

3-month USS

6-month USS

nth CDs

DM

**US Fed Fu** 

Treasury

1-30

1–10

Corporate

8% May 2000

10% Mar 1993

11.80 Feb 2013

12½ Dec 2012

CHICAGO

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

June

June

June

LONDON

US Treasury Bills (IMM)

Certificates of Deposit (IMM)

93.15

Diamond Shamrock

Federated Dept Stores

1993 1996

1750

1300

STERLING

3.46

260.75 10.965

2.0095

11%

4% 4% 8%

7.241 7.332

Day's

-0.04

-0.04

-0.05

-0.04

**-- Q.01** 

8.85

9.00

1.4575

3.4875

266.25

2.9325

3.9275

71.1

20315

4% 7%

7%4 7%4 6.75\* 6.24\*

6.815 1001%

7.298 100°7<sub>32</sub>

7.420 1102%2

7.542 1213%

7.20 6.97

7.32

7.93

Price

101%

10.94 111% 10.94

100-13 100-25 99-04 100-11

94.24 94.27 94.18 94.20

93.48 93.45 93.42

93.15 93.10 93.03

126-16 126-18 125-25 125-24

Day's

+0.29

+0.28

+0.20

+0.27

Yield 8.85

8.77

9.00

April 7

Price

101%

69% 98

108%

**FINANCIAL FUTURES** 

11.1025

KEY MARKET MONITORS

Among blue cbip banks, there were falls of \$\% to \$74\% in J.P. Morgan, of \$\% to \$48% in Citicorp and of \$1/4 to \$43% in Chase Manbattan.

Goodyear Tire, after warning of a first-quarter loss, eased \$% to \$33%. A disappointing earnings forecast from 3M left the stock down \$2% at \$97%.

In a weak airline sector, American dipped \$1% to \$52%. TRW facing employee anti-trust suits, lost \$1% to \$97%. General Electric and United Technologies, both named in the same suit, were \$1% down at \$71% and \$1% off at \$50%, respectively. On the same defence pitch, General Dynamics fell \$2% to \$82%.

Tobacco stocks regained part of last week's renewed losses on cancer suit developments. Philip Morris jumped \$1% to \$112% and R. J. Reynolds \$\% to \$38\%. Consumer stocks proved vulnerable to

the market shakeout. Sears, Roebuck fell \$1% to \$45% in brisk turnover, and close behind was K mart, down \$1% at In the credit markets, short-term rates remained weak, despite the Fed's intervention to bold rates firm. Sharp

falls in CD rates, against very modest

falls in treasury bills indicated a move

towards quality paper, reflecting nervousness over some regional banks. Bonds showed small net losses after a nervous trading session. The yield on the market's key long-dated issues edged above the 7.50 per cent level

**TOKYO** 

## Concern on overheating resurfaces

INVESTORS, concerned over a possible increase in crude oil prices, retreated to the sidelines in Tokyo yesterday and prices turned lower, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei average, which gained 105 by mid-morning, finished the day at 15,061.96, down 62.35. Volume shrank from Friday's 735.97m shares to 386.11m, the lowest since 346m sbares changed hands on January 28. Advances led de-clines by a narrow 409 to 388, with 133 issues unchanged.

The Nikkei index soared 2,218 points during March on the strength of the strong yen, falling interest rates and lower crude oil prices.

But investor concern about high stock prices and central bank governor Mr Satoshi Sumita's warning against corpora-tions speculating in stocks and bonds had brought the average down by nearly 830 points in only four days since last

The market got off to a steady start yesterday in a continuation of Satur-day's rise, with buying interest focusing on issues related to the Government's fiscal investment and loan programme

hlue chips and some biotechnologies. Buying began to shrink around midmorning, bowever, and light selling con-

tinued to drive prices lower. Both institutional and individual investors shied away from the market They were discouraged by the yen's drop to Y181 to the dollar, the fading possibility of a third cut this year in Japan's official discount rate and growing prospects that a strike by Norwegian oil refiners could halt that country's crude production and boost oil prices.

Consequently, buyers concentrated on speculative issues for quick capital

Penta-Ocean Construction, the most active stock with 19.91m shares changing hands, traded briskly on speculation that the construction of the Kansai international airport in western Japan would start soon. The issue gained Y24 at one stage hut closed Y2 lower at Y618.

Among stocks related to the Government's fiscal investment and loan programme, Sbokusan Jutaku, a lagging issue, was the second busiest with 18.14m shares traded, rising Y26 to Y635. Nihon Cement advanced Y14 to Y568 and Obbayashi Corp Y3 to Y576.

High-priced stocks firmed. Kokusai Denshin Denwa leaped Y260 to Y30,000 and Fanuc Y190 to Y7,540.

However, Mitsubishi estate and Nippon Express, which led the bullish market in March, shed Y60 and Y28 to Y1,830 and Y782, respectively.

Large-capital Nippon Steel fell Y2 to Y170 and Mitsubishi Heavy Industries Y6 to Y389. Biotechnology issues eased, with Yemanouchi Pharmaceutical losing Y40 to Y3,270 and Takeda Chemical Y20 to Y1.400.

Bond prices opened lower, driving the yield on the 6.2 per cent government bond maturing in July 1995 up to 4.790 per cent.

Later, bowever, the central bank purchased three issues of government bonds totalling Y50hn, including the 6.6 per cent bond due in December 1994, which pushed the call rate on unconditional money down to 4.9375 per cent. As a result, the yield on the 8.2 per cent bond edged down to 4.695 per cent from 4.700 per cent on Saturday.

1.32

7.5

#### SOUTH AFRICA

DESPITE expectations that the central bank might cut its base discount rate soon, a lack of any clear direction in Johannesburg yesterday left prices mixed

In golds, Randfontein slipped R2 to R274 and Kinross 50 cents to R44.50, while in mining financials Gold Fields firmed 25 cents to R38.25.

Diamond share De Beers were steady

## EMS shuffle produces run to peaks

THE EMS shuffle over the weekend produced a far from dull Monday session on the European bourses with records scored in four leading centres, while a steady trickle of corporate news kept in-

vestor appetites partially satisfied.
The French-West German realignment of currencies triggered a recordbreaking performance in Frankfurt. Car makers and banks led the Commerzhank index to a fresh peak with a 29.3 advance to 2,185.8 on the conviction that a stronger D-Mark will not hamper West German exports. The dollar's rise against the German currency over the weekend also aided sentiment.

The German stock market is now deriving renewed strength from the de-pressed oil price, stable inflation and tantalising prospects of lower long-term interest rates coupled with sound eco-

nomic growth. VW was the focus of attention in the cars sector as it acknowledged that it was negotiating with Olivetti on a co-operation and development pact for its Triumpb-Adler office equipment subsid-

iary. VW denied, however, that it was prepared to harter Triumph-Adler for a 5 per cent stake in the Italian telecommunications group although some brokers noted that the car maker might consider taking a stake in Nixdorf. VW jumped DM 25.70 to DM 625.

Daimler put on an equally impressive showing with its DM 59 surge to DM 1,409 on expectation of sharply higher results and a bonus centenary share

Among hanks, Deutsche Bank firmed DM 7 to DM 870 on hopes of an imminent dividend increase for 1985 and Commerzbank added DM 13 to DM

In the electrical computer sector, Siemens jumped DM 17 to DM 717.50 while Nixdorf scored a DM 11 advance to DM 633 partly on the VW-associated

Metallgesellschaft edged DM 1.50 higher to DM 372 on more-than-doubled net profit for 1985 and Degussa picked up DM 5.50 to DM 490.

Retailers were popular, with Karstadt DM 4 ahead at DM 397, although Horten's DM 3 gain to DM 241 was largely ascribed to the marginal rise in parent company sales for last year. A quiet bond market, still waiting to

determine the effect of the EMS rejig, saw isolated gains of up to 30 basis points in shorts. The Bundesbank market-balancing operation amounted to a

meagre purchase of DM 200,000 worth of paper compared with Friday's purchase of DM 44.50m.

Paris enjoyed a brief EMS-inspired flurry of gains but finished mixed to eas-

ier on the day. Turnover was heavy. BSN retreated FFr 70 to FFr 3,990 on higher profits and a dose of takeover rumours.

Among building related issues, Lafarge Coppée lost FFr 65 to FFr 1,375 despite optimistic forecasts for 1986 and Screg suffered a 11.1 per cent downturn to FFr 119.

Among car industry stocks, Peugeot firmed FFr 11 to FFr 1,150 and Michelin

closed FFr 25 higher at FFr 3.290.
L'Oreal managed one of the best showings with a FFr 280 surge to FFr 3.900 while Dassault, among engineers, jumped FFr 110 to FFr 1,360. Brussels continued its record setting

pace with a 18.68 rise in the Belgian Stock Exchange index to 3,662.89. Brokers felt that the ½ percentage point cut in key lending rates did not aid the rally. Solvay featured with a hearty BFr 260

rise to BFr 8,450, while retailer Delhaize jumped BFr 1,150 to BFr 12,650 despite a 22 per cent slump in profits and a proposed one-for-five stock split.

Amsterdam managed a fresh record as overseas buying boosted internationals. Royal Dutch picked up 10 cents to FI 192.40 and Akzo added FI 2.40 to FI 161.10.

Amro gained 30 cents to Fl 106.70 amid plans for a one-for-10 rights issue. Bonds were unchanged in thin trad-

Stockholm continued to enjoy the view from lofty peaks as another record was notched up on the Veckans Affarer All Share index with a 7.1 rise to 755.6.

Volvo added a further SKr 6 to SKr 371, while Electrolux, which formally in-corporated White Consolidated yesterday as a subsidiary, beld steady at SKr 285.

Milan lost ground. Fiat retreated slightly with a L265 drop to L12,625 after the weekend rights issue. Olivetti also suffered a mild dilution of strength as it dipped L470 to L16,800.

Zurich was mixed, Madrid turned dull and Oslo managed a small recovery after Sunday's strike on oil and gas instal-

#### CANADA

AN EASIER trend developed in Toronto in early trading as falls narrowly led

Topping the actives was Imasco which is bidding for Genstar Corporation or its Canada Trustco subsidiary. Imasco traded C5% lower at C\$33%, while Gen-

star rose C5% to C556%. Elsewhere, Hiram Walker, which has denied plans to sell its home oil subsidlary, moved CS% down to 5%, as a court bearing continued on Olympia and York's bid to block the sale of Hiram's drinks business to Allied-Lyons of the

#### LONDON

SMALL INVESTORS took advantage of peak prices in London and sought profits, leaving issues lower in the first trading session of the new financial year.

The FT Ordinary share index ended

20 down at 1,400.9 and the FT-SE 100 lost 21.2 to 1,688.50.

Features of the day were Standard Chartered, up 73p at 787p on bopes of a higher offer from Lloyds Bank, and Mid-land 15p higher on speculative demand

at 568p.

The EMS realignment helped towards a revival in government securities and gains were extended to % and more at the long end of the market.

Chief price changes, Page 41. Details, Page 40, Share information service, Pages 38-39

#### AUSTRALIA

ATTENTION was focused on Bell Resources' offer for BHP in Sydney yester-day and investors moved to the sidelines to await details of the bid.

The All Ordinaries index fell 52-to 1,148.5 and turnover contracted to 48.1m

Details of the bid came just after the close and revealed that Bell had offered A\$7.70 per share for around 21 per cent

of the industrial group. Bell Resources ended steady at A\$4.80, while Bell Group, the parent company, lost 6 cents to A\$7.30 and BHP

gained 2 cents AS6.58. BHP has rejected the bid. Banks were hit in the sell-off with Westpac down 14 cents at A\$6.04 and

SINGAPORE

ANZ 12 cents lower at A\$5.78.

SPECULATIVE ISSUES were the centre of attention in a lacklustre Singapore yesterday where falls led advances by about two to one. The Straits Times industrial index

faded 3.09 to 585.22. Banks turned weaker. OCBC lost 5

cents to S\$6.05. UOB 2 cents to S\$3.08. DBS 4 cents to S\$4.56 while Malavan Banking remained unchanged at S\$3.78.

Plantation issues dropped, with Consolidated Plantations off 4 cents at S\$1.19, KL Kepong lower by a similar amount at S\$1.41 and High and Low 3 cents easier at S\$1.37.

#### HONG KONG

FOREIGN BUXERS returned to Hong Kong with a vengeance yesterday and

the Hang Seng index posted its biggest gain in more than eight months.

It rose 47.80 to 1,691.60, while the Hong Kong index added 28.91 to 1,050.83. Trading was suspended in HK-TVB, the television station, ahead of news

that it will buy a studio complex from Shaw Brothers for HK\$150m. HK-TVB was last traded at HK\$5.80 and Shaw Brothers at HK\$1.72.



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